

**The Secret Gold Treaty****Printer friendly copy**

(Note: Appendices should be viewed through your internet browser)

**INTRODUCTION**

My involvement with the following events began on a sunny spring day in May 1976 with a telephone call from an Australian, Peter Johnston. He had read an article I had written some time earlier, that reviewed the Bank of England's "whitewash" report into the collapse of Barings Bank. Peter clearly felt that my critical examination of the Barings fiasco demonstrated an independence of mind that he believed was necessary to fairly investigate his own story.

Within a week, Peter arrived at my house laden with documents and fears for his future. The prospect of being found guilty in his upcoming trial was a debilitating thought that visibly played on his mind. He set about showing me his papers to demonstrate his innocence of the charge against him. I was quickly impressed by his openness and honesty and his willingness to field any questions I threw at him and found it hard not to warm to him. He left an hour or more later with a promise to mail me copies of the most important papers and documents from his files. These arrived a week later and I began contacting some of those involved in his negotiations to buy the mysterious gold certificates.

Unfortunately for Peter, his story of the Secret Treaty gold proved too complex for me to reach any real judgments about the validity of his case in time for his trial. His barrister opted – wrongly in my view – to defend Peter without submitting as evidence any of the thousands of pages of correspondence, contracts and others paperwork that Peter had available in his files. He was convicted and sentenced to two years' imprisonment in Ford Open Prison.

Throughout the Winter of 1996, I continued investigating Peter's strange story whenever the chance presented itself. I also arranged to visit him in prison to ask additional questions. I hoped to interest a TV production company in making a TV documentary to cover the costs of overseas travel and other necessities that form part of a detailed investigation. This was not to be, and a shoestring research budget has been the order of the day throughout these past four years.

Just before Christmas 1996, Peter arranged for me to pick up all his files that were available in the UK. These proved of great interest and enabled me to advance along slightly different avenues of investigation. Then, after serving twelve months in Ford Open Prison, Peter returned to his native Australia and, thereafter, forwarded another large batch of documents for me to examine. These were crucial to a clearer

understanding of this complex story.

Despite a very large volume of daily correspondence, business contracts and other documents that ran into several thousands of pages, each of which had to be read and assessed, I was able to cull a significant batch of what seemed to me to be absolutely explosive documents.

Meanwhile, a friend who was one of the few to know of my ongoing research put me in contact with a British businessman who also had been dealing in gold originating in the Philippines. Gradually, I learned about the intricacies of the international black market for gold and discovered it was habituated by shadowy individuals who had intelligence connections and backgrounds. Others seemed to rub noses with members of organised crime or to be part of an international network of scammers and confidence tricksters. The involvement of the Sicilian Mafia is of considerable importance, also. By and large, honest businessmen don't stand a chance in this world, as the circling sharks are sensitive to every morsel that isn't properly anchored and protected and consume it in voracious frenzy.

What follows is the result of over four years of often tedious work. It is my belief that the Secret Treaty story you are about to read unveils financial secrets so large that many will find it just too incredible to believe. But true it is. However, for doubting Thomas's everywhere, I have left a research trail of footnotes and other sources and a small but powerful battery of original documents that should enable anyone who wishes to follow in my footsteps to reach his or her own conclusion.

The guiding principle that I have adhered to throughout my investigation into the black market world of gold is an old one: "follow the money." I first came across this advice in the revealing book *Ratlines* by Mark Aarons and John Loftus. With a City [London] background in international finance, this struck me as an impressive piece of advice. It suggests that the underlying --and often concealed -- motive behind almost every major scandal is money.

One of the biggest surprises during my research was my incredible discovery that the official gold figures are pure nonsense. Representatives of the gold industry from the Bank of England through to the London Bullion Market Association and the World Gold Council kept making the point that only a tad over 100,000 tonnes of gold had been mined in over six thousand years. In fact, the actual figure today is closer to 140,000 tonnes. This soon became a sort of background "hiss" to my investigation. I would phone a source in the "unofficial" gold market and during the conversation I would be told how little gold had been mined historically.

This refrain was repeated so often without my asking the question that I was led to investigate the figures touted by official sources. It immediately became evident that the pre-American Gold Rush statistics were badly flawed -- probably designer-flawed. Over the next few years I concluded that the official figures were designed to conceal what I believe is one of the biggest secrets of finance, namely, the sheer abundance of gold. This may not strike some readers as greatly significant, but it should, for reasons that I hope will become clear.

The world's central banks still use gold as a reserve asset and the obvious dilution of this underlying asset is of the very greatest significance. Moreover, very large quantities of



this "black" gold have been -- and still are -- controlled and moved around the world by forces that are fascist or so ultra right-wing as to amount to the same thing.

There are a thousand important stories "out there" and many of them don't get the depth of coverage by the media that one might hope for. Admittedly, a small group of hard-core journalists, writers and other investigators do expend considerable effort chasing these stories, but their rewards are sparse. The major media just are not interested. Often, what appears to be a lack of interest is, in fact, a case that the financial or monetary interests of the corporate media often deeply conflict with revelation of the truth -- as was the case when media magnate, Rupert Murdoch tried to inhibit critical reports about China in his newspapers that, clearly, would have impacted negatively on his business entanglements in that country.

The lack of interest by the media in this subject has led to this story being privately published in the form of an electronic-dossier via the medium of a CD. The reasoning for this form of distribution is simply that publishing the material in hard copy -- and then airmailing it overseas -- is prohibitively expensive. The United Kingdom is one of the most expensive places to live in the developed world and has been, for a great many years, dubbed "Treasure Island" by transnational companies that double, triple or even quadruple their prices when selling through UK outlets.

It is appropriate at this point to acknowledge my sincere gratitude to Carolyn A. Betts of Solari.com who graciously agreed to act as editor of this manuscript. Her sharp legal eye and stalwart attention to detail has proved invaluable. Thanks also go to Solari's webmaster, Ozzie, for his patience and considerable assistance in making the final HTML presentation of a high standard. It would be remiss of me not to mention my son, Ben, and his cousin, Stephen, for doing a huge and quite brilliant job - under extreme time pressure - in designing the HTML layout for this manuscript and for my related website [www.deepblacklies.co.uk](http://www.deepblacklies.co.uk) Not least, thanks must go to Catherine Austin Fitts, also of Solari, for agreeing to promote and distribute this work and for her encouragement and thoughtful patience during those periods when, under the emotion of frustration, I wanted to rip my hair out.

Lastly, I would very much like to hear from anyone who may be able to shed additional light on what has become a perennial "work in progress."

**David Guyatt -- September 2000**

## **PART 1.1**

### **THE JOHNSTON SAGA UNFOLDS**

Peter Johnston was 54 years old when, in August 1996, he was convicted in England of fraud [i]. Sentenced to two years, he served twelve months in Ford Open Prison before returning to his native Australia to live. Prison was a desultory experience for Johnston, and aggravated by his innocence. The City of London Fraud Squad, acting in concert

with two large gold banks, brought the charge of fraud against him. The banks were the Union Bank of Switzerland, Zurich, and the London branch of Australia's Westpac Banking Corporation.[ii]

Johnston's crime had been to deposit a gold certificate in the City branch of Westpac for "safe custody" on 15 February 1995. He did not attempt to have Westpac negotiate or otherwise attest whether the certificate -- apparently issued by the Union Bank of Switzerland, Zurich -- was genuine and even agreed to allow the bank to append a disclaimer on the safe custody receipt as to the value of the documents. It was a straightforward case of securing documents in the vaults of the bank for a brief spell while travelling abroad. By the official standards of the London Gold Market, the certificate represented quite a large cache of gold at 740 metric tonnes.[iii] At slightly more than \$300 an ounce, this translated into a market value of approximately US\$8 billion, large enough to make eyes pop.

Westpac's Correspondent Banking Manager, David Blenkinsopp, subsequently stated that he felt "uncomfortable" about the deposit of documents and decided he "should record the incident in [the] fraud manual and perhaps alert the authorities to a possible fraud." His alleged fears did not immediately materialise into action, and would lay dormant for another seven days. However, despite what Blenkinsopp described as his original "discomfort" with the transaction, his later story to the police was that Johnston had been "very cooperative." [iv]

At 2.00 a.m. on the morning following the deposit of the certificate into safe keeping (16 February 1995), Blenkinsopp, unable to sleep due to worry, decided to telephone his head office in Australia. He requested that Bob Hinze, manager of Westpac's Burleigh Heads branch, contact him as soon as possible. The reason for this call was, he said, that Johnston had earlier told Blenkinsopp that both he and his co-director, Alan Bristow, were valued customers of Westpac and that Bristow, in particular, had banked with Westpac/Burleigh Heads for many years.

Hinze returned the call within half an hour and listened as Blenkinsopp outlined his fears, but remained stoic and relaxed. Hinze was able to confirm that he knew Johnston and Bristow personally and that the latter had been "a long-standing customer of the bank." He also said that he had conducted similar lodgments of gold certificates for them in the past and that they were "only trying to earn a brokerage fee." He added that the certificates "had typographical errors in them" and that "this was deliberate because there was a special code that allowed them to be identified as genuine." He continued: "we see little harm in holding the certificates for safe keeping but we recommend that that be the limit of our involvement." [v]

In fact, Johnston and Bristow had kept Bob Hinze fully informed of the progress they were making in negotiating the certificate and had earlier requested his guidance regarding which bank they should deposit the certificate with during Johnston's forthcoming visit to London. Hinze, believing the Westpac's London branch had closed, suggested contacting its London correspondent, Midland Bank Plc. Since Johnston had no account at Midland and was not a UK resident, Midland Bank Plc demurred but suggested that Johnston's London law firm, Linklaters and Paines, could hold the certificates in custody. Linklaters, however, advised Johnston that Westpac did have a London branch. Hence Johnston's arrival at Westpac's office on 15 February 1995.

Satisfied that he was dealing with pre-existing bank customers, Blenkinsopp relaxed, he later said. This remained the case until 21 February 1995, when a message arrived from Bob Hinze advising that Johnston's Australian lawyer, Morris Milder, would soon be contacting Blenkinsopp to issue a standard "script" receipt describing the contents of the



envelope and, in particular, detailing the certificate numbers held in custody. In the ordinary course of a transaction such as this, the bank would sign the receipt and deliver it to Johnston, and he would, upon his return, present the receipt to redeem the certificate from safe keeping.

Blenkinsopp, in fact, was already aware what the safe custody envelope contained, because he had insisted on inspecting it when Johnston first brought it in. This was standard procedure to make sure deposit items contained no drugs, explosives etc. The latest request, for the receipt, however, aggravated Blenkinsopp's anxiety. The reason for his concern, he later explained, was that he already had issued a safe custody receipt on Westpac letterhead and believed the newly requested script receipt could be construed "as an endorsement of Westpac as to the value of the documents, despite [his] handwritten *disclaimer* as to the value of it [my italics]."[vi]

At the back of his mind, Blenkinsopp told police, he was concerned that the certificates, together with Westpac's "endorsement," [*i.e.*, the script receipt] could be used by Johnston to perpetrate an "advance fee" fraud against another bank. Whether this concern was Blenkinsopp's own creation, we do not know, but we do know the implication that Johnston was attempting to perpetrate an advance fee fraud was repeatedly raised by his police inquisitors during questioning [vii]. However, there was not one shred of evidence to support such an allegation.

Blenkinsopp told police that the fax letter from Milder requesting the script receipt additionally requested that he confirm the letter by key tested telex (KTT) to another bank. This is untrue. The instruction merely indicated that he *may* be asked to do this at a later date. [viii]

Blenkinsopp was, he said, at this point thoroughly alarmed, so he decided to telephone a contact at the UBS in Switzerland. When he did so, according to his police statement, he was told the certificates were forgeries. Then, he said, he had faxed copies of the certificate to the Union Bank of Switzerland, Head Office, Zurich. Both actions were strictly speaking unusual in terms of banking protocol -- after all, these were confidential client documents. Thereafter, on the afternoon of 22 February 1995, Blenkinsopp contacted the City of London Fraud Squad.

A return UBS fax, transmitted at 13.54 on 22 February 1995, stated: " We confirm that Union Bank of Switzerland (UBS) never issued such documents. It is a forgery, that means complete fantasy. UBS has nothing to do with these [sic] documents." It was unauthenticated (*i.e.*, it did not possess the usual key test signifying it was an authorised statement of UBS) and it was signed by Rene Schicker, a low level member of UBS Security Services. Schicker was not an authorised officer of UBS.

Earlier, at 13.17, Schicker had sent another fax to Blenkinsopp at Westpac. This stated:

"We confirm that the Union bank of Switzerland (UBS) never issued such documents. It is a forgery, that means complete fantasy. UBS has nothing to do with the documents.

We have knowledge about the arrestation [sic] of one person at London Heathrow Airport on 3.11.1994 with similar papers. If you have any questions please do not hesitate to contact me.

Are the 17 certificates originals or copies?"

Quite why Schicker, or others in the UBS, decided to truncate the first message with the second remains unexplained, as does the question asking if the certificates were originals or copies. Meanwhile, who was the other person arrested? Was he/she charged by police

or later set free?

### **ENTRAPMENT?**

In a telephone conversation with Morris Milder, Johnston's Australian lawyer, Astrid Pankhurst, a barrister for Westpac, told Milder that the police had looked at the certificates and were under no doubt about their fraudulent nature. She then added "... but the police have advised that they are not interested in this case because there is no attempted fraud on the UK mainland and you know this matter is really outside their jurisdiction." Pankhurst was being disingenuous, as we shall see. She made this telephone call after consulting with DC Howard of the City of London Police.

She continued the telephone conversation saying that Westpac no longer cared to hold the certificates and that Milder should arrange for them to be collected. Despite Milder's request to speak directly to DC Howard, this did not occur. DC Howard states he was not aware that Milder wished to speak with him. Unusually, Pankhurst refused to confirm any of Westpac's actions or allegations to Milder in writing despite a request to do so. Not least, Milder's phone conversation with Pankhurst was recorded, but Milder was not made privy to this fact. [ix]

In any event, Johnston, unaware of the entrapment in progress, travelled from Australia to London to collect the certificates as requested by Westpac. Arriving at Westpac offices at 3 p.m. on Monday 6 March 1995, he was promptly arrested.

Eighteen months later, during the trial in August 1996, the prosecution presented its expert witness, Claude Mifsud, formerly a senior manager of Lloyds Bank Plc and latterly a consultant in trade finance. Mifsud's testimony, purportedly supported by his years of experience in international banking transactions, was used by the prosecution to support its contention that the certificate was fraudulent on its face. Mifsud's testimony did not support this contention, however, because what he told the police was that he was, in fact, unfamiliar with documents of the type in question. In his pre-trial witness statement, he said, "in my experience I have not encountered documentation of this nature and I must admit to finding it difficult to speculate as to the significance of these names and reference number [shown on the certificate]." His expertise in certificates of deposit did not extend to the specialised world of bullion trading -- an extremely secretive aspect of international finance.

It must be said here that the instruments used in international banking are highly varied, according to the branch of banking a transaction originates in. Asking an expert in one type of banking transaction to give expert testimony on another branch of banking he has no knowledge of is similar to asking a gynecologist to testify as to a diagnosis of a brain tumour. In this regard, Mifsud was no expert at all, a fact he was the first to point out.

Despite having its name associated with a major fraud, the UBS, Zurich, refused to send a member of its Zurich Security or Bullion Division (or for that matter anyone from Zurich) to give testimony at the trial. This was in spite of considerable pressure from the police to do so.

However, UBS eventually agreed to have a member of its London staff make a statement to the police. Andrew Furlong, an authorised officer of UBS, London (but not disciplined in bullion trading), in his statement was -- surprisingly, considering the gravity of the charges -- unwilling to state the certificates were forgeries. Instead, he merely commented that "UBS did not issue these documents and has nothing to do with them." He added, "I have consulted our Head Office in Zurich and can categorically confirm that the documents did not emanate from UBS in Zurich." That was the full



extent of his statement. [x] For reasons I explain below, saying a certificate is not "issued by" UBS and does not "emanate from" UBS does not necessarily mean it is a forgery or otherwise fraudulent. Compounding the insufficiency of this testimony is the fact that in law, this type of evidence (that is, a statement of another individual merely repeated by the individual under oath) is known as hearsay and is not generally admitted into evidence. Since it was UBS, Zurich's allegation that set this ball rolling, it is hard to understand why UBS did not send a gold expert from Zurich to attend the trial. However, it was the only official statement the police were able to obtain from UBS. [xi]

Furlong's testimony is a far cry from Schicker's earlier charge that the certificate was a "forgery and complete fantasy," -- almost a repudiation, in fact. Johnston and Bristow and their attorney, Morris Milder, believed all along (and did not once conceal the fact) that the certificate was not issued *by* the UBS but understood it had been issued *through* the UBS. UBS was not, therefore, the principal, but rather an agent. The difference is a subtle but important one, as we shall see, but goes a long way to explaining UBS' subsequent actions. The fact is that to have stated in writing, under colour of corporate authority, or in open court, that the certificate was a forgery may have opened the UBS to both criminal and civil charges.

Wolfgang Jentsch is the Managing Director of Commerce Capital Limited, located in Dresha, Germany, with sub offices in Nassau and Vancouver. Possessing a banking background, Jentsch worked for Norddeutsche Landesbank between 1970 and '73 and again between 1975 and '79, where he was authorised to make loans up to DM 2 million. He is an expert on the less public side of banking and has considerable knowledge of certain specialised types of certificates of deposit. [xii]

Importantly, Jentsch is familiar with the Byzantine world of gold and gold certificates, and this was the major reason he was asked, and agreed, to act as an expert witness for the defence. His witness statement shows his familiarity with some of the less well known aspects of international banking: "I am aware that Governments in most countries from time to time ask their banks to issue certificates of deposit off balance sheet." This, as Jentsch confirms, means the certificates are issued *through*, not *by*, the banks, which, consequently, do not need to establish reserves to pay for the certificates if, and when, they are presented for payment. Instead of being bank obligations, such certificates of deposit are in fact secret Government obligations.

Jentsch continues: "[Certificates] ... may take many forms and quite possibly will not be in the banking form. They are by their very nature private banking documents and will not be in the public domain." He then shares an interesting insight:

"One finds that the larger the amount concerned, the closer the circle of those who know becomes. Indeed, in respect of any bank concerned it is rare that the main structure of the bank itself would ever know of their existence and this information is very much the domain of the few."

The former banker also adds an interesting insight to banking in general in this regard. "Another area where such private documents would come into being are in circumstances where, for example, the deposit is made by a controversial depositor." These he explains might be "an unpopular regime," or "a Government involved in a war situation." He expands on this theme in some detail:

"... if it is a private Government transaction, it may not necessarily be recorded. Legally the Government would not be allowed to. As indicated above, this is more likely to happen when one starts dealing with the less disciplined Governments of the world."

"The owner of the funds which are subject to the security of the deposit would be given a number of other documents in order to secure that certificate. He would be given a letter which will provide the details of only those persons who would be able to verify the existence of the certificates and he would be given coded security numbers. It is not common but it is possible that as a further security measure the certificate of deposit may include other forms of coding. This may take the form of what would appear to be severe spelling or grammatical errors... This also has the advantage that anybody unauthorised dealing in that certificate would go back to the bank and it would enable the bank to deny all knowledge of it..."[xiii]

The deniability aspect that Jentsch raises was crucial to Johnston's defence. Other experts in the unofficial bullion market have confirmed it is not an uncommon procedure on sensitive transactions to see spelling and grammatical errors. They, too, understand that governments occasionally issue confidential certificates through banks, which allows the named bank to deny them.

Evert van Vollenhoven of the Dutch firm of Van Vollenhoven & Schultz Associates is a specialist bullion trader. In his letter dated 23 February 1995, he states that "The situation with UBS is as follows: if a bank sends copies of certificates, they answer verbally that they are false but do not dare commit themselves by KTT [Key Tested Telex - in other words full corporate responsibility] to these statements. They can not proof [sic] that these documents are false."

Van Vollenhoven then added an intriguing fact that may well have a bearing on the mystery of the disappearing paragraphs from the first of the two UBS faxes:

"This has even gone so far that a bank in London called in the Fraud Squad as to regulations and these investigators, after hearing the bank officials walked out straight away telling them that there was no fraud because UBS had not produced any evidence of such."

He was aware of this situation because it was a transaction he was personally involved with, as he makes clear when he says the "result is that the certificates were not confiscated and again are at our free disposal." He continued by adding that the "conclusion of all this; these documents are real but the UBS does not want to co-operate in whatever manner with third parties, who, however in their full rights, want the benefit of their own belongings."

Neither does the German Banker, Wolfgang Jentsch, hold back in his statement further on where he explained: "Simply approaching the bank on whose paper it has been issued will *always* result in the bank denying all knowledge of it" [my italics]. He then reveals that "the currency that the certificate of deposit is denominated in is the key to knowing who to approach if one is authorised to do so."" If the document is recorded in US Dollars then the US Federal Reserve must have records in respect of this transaction under those security numbers...."

Jentsch was handed the entire set of certificates (17 in all) representing the 740 metric tons in the name of UBS. For the record, he stated, categorically, that they are not "public domain documents." The banker then offered his opinion that the potential prejudice to Westpac by issuing the safe keeping receipt would be immediately negated by adding to the receipt language an appropriate comment to the effect that the receipt is "without involvement of value." Westpac did add a paragraph to this effect on its safe custody receipt, as we know.

Based on this evidence, before trial, the defence felt reasonably confident that Johnston



would be found innocent. However, during the trial in August 1996, Jentsch -- who had carefully scrutinised the gold documents during his deposition -- became a de facto prosecution witness by stating the certificates were pure nonsense. With this about-face testimony, Peter Johnston's fate was sealed. What accounts for the turnaround?

### Footnotes

[i] The actual charge was "using a false instrument with intent." Johnston's defence was that he believed the instrument to be genuine and that there was no "intent" involved. Having investigated this matter for 2 1/2 years I am satisfied Johnston is telling the truth - I have read *all* his papers running into thousands.

[ii] The latter owns Mase Westpac, the banking arm that bought the ill-fated Johnson Mathey Bank when it almost crashed in September 1984. One of five houses to have a "seat" at London's twice daily gold fix, Johnson Mathey was reputed to be less than forthright in its bullion dealings. In fact, its management was close to Philippines President Ferdinand Marcos and according to rumours was laundering some of the Japanese and Nazi gold he had recovered in the years following World War II. More on this later in our story. Informed sources tell me Johnson Mathey was advancing funds against these deposits of "tainted" gold and this triggered a cash crisis in the bank. This led to questions in Parliament, where speakers from both the Labour and the Liberal party bared their teeth and have the courage to suggest Johnson Mathey were engaged in a VAT scam on gold. The deeper and far more sensitive story remained unuttered by any spokesman of any party. During its final disgrace, Johnson Mathey almost brought down the other four major London gold banks with it but with the timely intervention of the Bank of England was rescued by Mase Westpac.

[iii] Compare this amount to the largest known central bank sale of 500 metric tonnes.

[iv] Blenkinsopp's witness statement to City of London police.

[v] Extracted from Hinze's note to Blenkinsopp.

[vi] Blenkinsopp's witness statement to City of London police.

[vii] Johnston's police interrogators were DC Howard and DC Ash of the City of London police. DC Howard is now with the Serious Fraud Office.

[viii] Placing the certificate in a bank's safe keeping was not even Johnston's idea. In fact, the idea came from the gold trader he was then negotiating with. This individual (Source "A" and Source "B" below) required this be done in order that the certificates could then be securely transferred into safe keeping at his own bank, prior to concluding the transaction.

[ix] I have a copy of the transcription of the conversation provided by City of London police.

[x] A copy of his witness statement to the police is in my files.

[xi] Furlong's statement is dated 6 April 1995. I understand from Johnston's London lawyer that the police were sufficiently worried about the UBS statement that a police officer travelled to UBS Zurich in an attempt to obtain a more robust statement and/or have a Zurich representative agree to attend the trial in London as a witness for the prosecution. I note here that during questioning on 21 March 1995, D.C. Howard refers to a letter from UBS dated 8 March 1995, that he says states the documents "are false." This letter does not appear in the trial exhibits (so far as I can see) and I have not seen it. However, D.C. Howard continues by saying that the UBS is providing an authorised bank officer to make a statement. This was a reference to Andrew Furlong. I have repeatedly tried to contact D.C. Howard (now at the SFO) to clarify this point, but my attempts have been in vain.

[xii] His deposition is in my possession.

[xiii] The "holder" of the certificate in question, Indonesian lawyer Dr. Edison Damanik, was in possession of two business cards issued by the UBS. These named Mr. Shaker J. Otworld, UBS Kloten, Switzerland and Mr. A. Stures Honeghen, UBS Basel, Switzerland. Secreted beneath Kloten Airport is Switzerland's largest bullion repository. These cards were mailed to Johnston by Damanik following his arrest -- the implication being that these two individuals were part of the "charmed circle" able to verify the certificates. This location is extremely secretive and most Swiss, UBS employees included, remain unaware of it, as I discovered in my efforts to track down Mr. Otworld. As at this date of writing Otworld and Honeghen remain "ghosts," despite their colourful business cards, which are in my possession. However, for those with a taste for mysteries, it is interesting to observe that the giant UBS transacts all its bullion dealing through a subsidiary, the Anglo-German, American, Warburg, Dillon Read, located at Glattbrugg, close to Kloten.

## PART 1.2

### SWISS "GHOSTS"

Nine months after Johnston's arrest, but eight months before the trial, an odd article appeared on the front page of the *London Times*. [i] It stated that "City of London police have launched an official investigation into the fraudulent use of certificates of deposit and the Bank of England has warned the public not to fall for the latest batch of certificates." The article continued, "The Bank said yesterday that the latest batch of certificates, often supported by 'official looking' documentation and using named deposit holders such as international politicians, presidents and royalty are 'fraudulent and extreme caution should be exercised in dealing with any party seeking to transact business on the strength of them.'"

In the view of Johnston's Australian lawyer, this article was directed at Johnston and could have prejudiced his defence. The 740 MT certificate was in the name of Mr. Patrick Hillery, former President of the Irish Republic. [ii] Moreover, a number of other certificates Johnston was authorised to negotiate on behalf of "The Last Legal Holder" all named well-known "politicians, presidents and royalty."

It is appropriate to ask why the Bank of England was so concerned for "members of the public." I ask this question because the 740MT certificate had a market value of US\$8.5



billion. And this was one of the smallest certificate that Johnston had access to. A larger one bore a price tag close to a whopping US\$100 billion. Members of the public do not have pockets that deep.

Had the Bank of England entertained genuine concerns, it could readily have issued a confidential circular to all the licensed banks in the City and, via the London Bullion Market Association (LBMA), to all licensed bullion dealers. Issuing a press release was provocative, to say the least. It makes better sense to consider the bank's action as a specific and subtle warning directed at somebody who believed the certificates were genuine and who could afford to pay this sort of money. In other words, a *de facto* cease and desist notice to any potential buyer of the certificate. But, is this likely?

The fact is that Johnston and his partners were in the process of negotiating this and other certificates, and the Bank of England knew it. I have spoken to a number of gold traders who, at the time of the press release, were keen to buy several of Johnston's certificates, including the disputed 740 MT. All were fully aware of the circumstances of his earlier arrest and his forthcoming trial. [iii] They were also aware of the "extremely sensitive" background of the certificates.

One of these individuals was Bruce Mead, Managing Director of the Millsmead Group. Mead told me quite openly that the reason he pulled out of the deal was due to the negative publicity. Since the Bank of England press release was the only article that had appeared at that time (at least to my knowledge) the potential sources for his fear are sharply narrowed.

Mead and his partner, Mary Mills, represent a number of major European banks. Figuratively speaking, they act as fig-leaves to eclipse the banks' involvement in black market gold transactions. In this instance, Mead was the mandate for Michael J. Summers, an authorised bullion dealer on behalf of the giant French state-owned bank, Credit Lyonnais. In this capacity, Mead -- nine months *after* Johnston's arrest -- had issued a full corporate offer to purchase the 740 MT certificate after Summers had scrutinised the various documents.

Mead's letter of offer, a binding contract of intent (and financial ability) to purchase the bullion on behalf of his principals (Summers/Credit Lyonnais) was dated 13 December 1995. Intriguingly, this was just two days before publication of the article in the *London Times* to which reference is made above. [iv] Could this be the real explanation of the extraordinary BoE press briefing?

Mead told me that he had conducted a "soft probe" on the certificate and the results strongly indicated it was genuine. [v] The probe was carried out by the Bank of England, I was told. [vi] Having pulled out of the deal, Mead then made various attempts, on Johnston's behalf, to get related papers back into Johnston's custody. He told me he believed "Peter was innocent" and was subject to a political intrigue and added, "Peter had good paperwork." Moreover, he continued to express interest in purchasing other certificates in Johnston's possession right through to February 1996 but for a variety of unrelated reasons this wasn't possible. [vii]

In an article published in the *Irish Times* on Monday, 6 May 1996, reporter Denis Staunton, states that Dr. Patrick Hillery, the alleged owner of the 740 MT certificate "expressed astonishment" that his name was linked to the certificate. Hillery then added

that the signature on the certificate "wasn't anything like my signature." The former Irish president added an unusual afterthought: "It wasn't even an attempt to be my signature."

This statement was further enforced in Dr. Hillery's brief letter to Johnston's solicitor dated 27 November 1995, which says: "I have examined the documents which you enclosed with your letter and wish to state that the signature on them is not my signature." This is entirely correct. None of the signatures on this or other certificates are -- or even contrive to be -- facsimiles of the signature of the stated holder. However, in the mysterious world of Government secrets, there may be an explanation for this.

The 740 MT certificate actually constituted numerous documents: the certificate itself plus supporting documents, heritage certificates, supporting documents and government documents. One of these "heritage" certificates refers to another party in the form of the guarantee "holder" -- whatever that means? Under the heading "B.L.D. GUARANTEE HOLDER" is the name "Hassan King II," undoubtedly a reference to King Hassan of Morocco who became King in 1962 following the death of his father. Hassan died in July 1999.

Johnston's instructions from "The Legal Last Holder" were that all these documents would have to be forensically proven at the time of sale. Just one missing page would void all the other papers. Validating the certificates also meant validating the heritage documents, and it was these that identify the actual holder -- albeit by various codes. This procedure, as Jentsch made clear in his deposition, is designed to protect the identity of an "unpopular regime" and also avoids embarrassment to the bank and/or Government for dealing with unsavoury characters.

In this regard, Johnston had earlier been in contact with another gold trader, Tirath Ram, an Indian citizen resident and trading in the North of England. Gold plays a large part in Indian life and, in fact, the global jewellery fabrication business is centred in that country. Ram had undertaken to "probe" the validity of the 740 MT certificate [for the purpose of exploring a purchase] and on 14 February 1995, sent Johnston a copy of a fax he claimed had been sent to him by a "contact" in the Bullion Department of the Bank of England. I doubt that this fax -- which had the top and bottom removed to avoid identifying the source, did originate with the Bank of England. For one thing, it is customary in England to always date a letter by day, month and year. In this instance, the fax was dated in the American style with the month, day and year, in that order, and, moreover, contains word usage common in America.

Ram was clearly protecting his source, which is understandable, but appears to have made a critical error in his haste to impress Johnston (a flaw common amongst gold brokers). Hoping to buy the gold represented by the certificates and other associated documents, Ram, it seems, had meanwhile offered it for sale through one of the largest US bullion banks, Citibank - which evidently originated the fax.

In any event, the author of the fax was clearly in possession of highly confidential and sensitive information that no one else associated with this transaction was aware of -- including Johnston and his partners. The full text of the letter is as follows:

Mr. Tirath Ram February 14 1995

Friends Corporation

By fax

Dear Mr. Ram,



## AU BULLION CERTIFICATE

Further to our discussion this evening I make the following comments from our experience with UBS certificates which may or may not prove to be relevant in this instance.

It is imperative that when the Government requests authentication through Citibank it has all the correct data which may include but may not be limited to:

#The original Heritage Document - this is a document declaring non-beneficial ownership between the named party on the certificate and the real owner.

#Any "code-words", "code-letters" & key bars that have to be disclosed to demonstrate ownership.

#Any other special arrangements made between UBS and the owners.

You will understand that these arrangements in the main were designed by UBS not so much to protect the holder from loss, but to ensure that UBS never lost the AU BULLION from its control.

Please have the seller provide as much detail on the background of the certificate etc.

Yours sincerely

Even a brief examination of Dr. Hillery's statement causes admiration for the ingenuity of political wordplay. At no point (either publicly or privately) did Dr. Hillery state the certificate was fraudulent, only that it did not represent (or even attempt to) his signature.

In fact Hillery's statements to the press and to Johnston's lawyer are brief and possess the air of one entirely disinterested with the affair. A strange reaction for a retired statesman whose name is being bandied about in a fraud case. A measure of Dr. Hillery's unusual disinterest is encapsulated in the following remark. Telling Denis Staunton that he has "never heard of Dr. Damanik," and that the only time he has visited Indonesia "was in 1985" when he "stopped in Jakarta on his way to Australia for a state visit," he added "I'm just retired now playing golf."

However, the holder of these certificates, Dr. Damanik, appeared to know Patrick Hillery well enough when he referred to him as "that crazy Irishman." Damanik also told Johnston that he (Hillery) would require US\$2 million to clear the transaction. Sadly, this can no longer be confirmed, because Dr. Edison Damanik, the "Last Legal Holder," died in America in 1997. His death was from illness, it is said, and followed his sudden "disappearance" months earlier from his residence in Jakarta. At all times, Damanik appeared to be kept on a short leash. An American, Frederick Robinson, who resided in Dr. Damanik's house, was clearly disliked by both Dr. and Mrs. Damanik -- who referred to him in private as the "Black Sparrow." Another American, Paul V. Morse, lived in a nearby hotel and was Damanik's "signatory." Johnston, who had visited Damanik at home a number of times, understood these two individuals to be CIA or similar, but had no way of knowing this for certain. [viii]

Staunton in his article also mentions that "One British trader came close to buying the gold earlier this year. He withdrew after the UBS questioned the certificate's authenticity." A good and honest reporter, Staunton had either made a critical factual mistake or had been misled? [ix] The "trader" he mentions in his article is, in fact, Bruce Mead, who (as I stated earlier) told me he withdrew due to the negative publicity. [x] A

former member of British Army Intelligence, Mead was fully aware of Johnston's legal complications with the UBS. Critically, Mead had issued his RWA letter months before Staunton ever spoke with him and nine months after Johnston's arrest. [xi] Moreover, during this telephone conversation, Mead said he did not think well of the UBS. This came as no surprise to me. In my previous incarnation in the City of London, the UBS in Switzerland was often discussed for what some believed to be its unethical conduct and deviousness.

## Footnotes

[i] Dated 15 December 1996.

[ii] On the certificates, Hillery's name appeared as "Patrick J. Hillery" and was also rendered as "Patric J. Hillery." The typographical "error" is typical of other certificates in Johnston's possession.

[iii] I have read (and have copies of) the correspondence between Johnston and these other parties. There is no question that they knew precisely and fully what had and was transpiring. All believed the arrest and trial were politically motivated. All accepted the certificates to be genuine but "extremely sensitive."

[iv] I am in possession of a copy of the Ready, Willing and Able to purchase letter (known simply as RWA), dated, signed and sealed. It was valid, curiously enough, until 23.00 hours on 15 December 1995.

[v] A soft probe is a mechanism where the certificates identifying numbers and other codes are verified "on screen" by the issuing or controlling government. In this case it was the Federal Reserve Bank of America. The probe was conducted via a third party (the brokers European bank) with the Bank of England.

[vi] I directly asked Mead, whom the probe was conducted by. He refused to name the party. I then suggested that it might have been "an authority in Threadneedle Street?" Mead's response was "I wouldn't disagree with that." Telephone conversation with this writer 5 December 1996.

[vii] During a telephone conversation almost a year later, Mead said that "Damanik" did not have the authority to sell the gold, but would not elaborate on this. However, see further on the story regarding Sources "A" and "B" and the 1972 meeting.

[viii] Morse lived in the nearby Citraland Hotel. His room cost \$120.00 a days and he remained in residence for 8 months, leading Johnston to question "who paid his expenses?"

[ix] There are reasons to suspect the latter.

[x] Unknown to Mead and numerous others, Johnston had given me his entire files on these transactions, including copies of all correspondence, telephone notes etc.

[xi] His letter dated 6 November 1995, to a colleague, he states (in part) "Mr. Johnston



freely admitted that he had trouble when he showed these documents to the UBS in London and that they tried to call in the UK police saying he was carrying false documentation." He continues "I think it is a balance between a crooked offer, but they do not realise it is crooked, or the real thing but the UBS do not want to admit it. You know our views on the UBS and we shall therefore approach this subject very carefully. I always groan when I see gold offers that involves that particular bank because we all know that their appearance in the transaction materially reduced the chance of there ever being a conclusion." Just over a month later his caution had given way to some confidence when he issued his letter confirming he was "ready, willing and able" to buy the gold.

### **PART 1.3**

#### **GOVERNMENT SHADOWS**

Throughout the period between his arrest and conviction, Johnston continued to also negotiate with another gold broker, this one in Germany. This company, which I cannot identify for reasons of confidentiality, acted as a cover to conceal the identity of a "mandate" acting on behalf of the principal -- a powerful private syndicate of banks, trusts and foundations.

The mandate operates out of the Northern Germany. He is extremely well connected to the German establishment and has regular access to diplomatic bags that he uses to transmit confidential correspondence. He acts on behalf of "the most powerful and influential private syndicate in the world," according to his letter to Johnston dated 12 April 1995. All these parties were fully informed of Johnston's legal "troubles" as they arose. [i]

Since we are dealing with two individuals who represented the same ultimate buyers (the syndicate), and since I cannot name either, I will, for convenience sake, call the first "Source A" and the second "Source B." Source A was the initial point of contact and was subordinate to Source B. After a few days of negotiation, Source A sent a letter to Johnston. Headed STRICTLY PRIVATE & CONFIDENTIAL, the letter stated:

"Further to our conversation earlier today, we would confirm to you that we have been given the 'Green Light' to proceed with caution."

He then adds, by way of explanation, that they had conducted a "soft probe through our people to ensure as far as possible that we had a real situation."

If coincidence equates to sod's law of mishap and cock-up, then it should come as no surprise that this letter was dated 21 February 1995. That very same day saw Westpac's David Blenkinsopp fax copies of Johnston's documents to the UBS. This, in turn, triggered the inevitable reaction if you believe what German banker, Wolfgang Jentsch had to say. In any event, the City of London police were notified and, together with Westpac staff, set out to entrap Johnson.

The subsequent arrest and fraud charge directed at Johnston is, in my opinion, utterly

absurd. I have read and re-read thousands or pages of private correspondence and witness transcripts provided by Johnston, about this matter. A child, unencumbered by bias, could readily determine that Johnston and his partners observed strict honesty and professional integrity at all times. They *always*, without exception, made it totally clear to all potential buyers that the latter must undertake their own due diligence and establish the bona fides of the certificates.

In fact, it is the established market procedure when negotiating the purchase of Gold Bullion Certificates, for the buyer to "prove up" the paperwork - unless specified to the contrary. This is no different to any other business including retail purchasing where the universal watchwords are "let the buyer beware."

This is especially the case, moreover, when dealing with sensitive Secret or Private Treaty documents. All buyers involved in this and related transactions were aware of the sensitivity involved and openly committed themselves to their own professional obligation to conduct validating enquiries. They all undertook these measures without complaint or disfavour. These "probes" repeatedly showed Johnston's documentation was solid and was of sufficient validity for each to then issue Corporate "Ready Willing and Able" (RWA) to purchase letters, signifying their agreement to move to the next stage of negotiations.

This raises numerous important questions. If the potential buyers (none of them members of the public), after conducting rigorous due diligence investigations, were content to proceed to the next stage in purchasing the certificates, where is the crime? The charge of fraud implies deception, but in Johnston's case there was no deception. On the contrary, Johnston told all concerned of his arrest, of the UBS allegation, his upcoming trial and also repeatedly stated that the buyer must validate the certificates in line with market procedure. He was also quite open in saying he *believed* the certificates to be genuine, but could not state categorically that they were. What more could he do?

The events as outlined raise the possibility, at least in my cynical mind, that someone somewhere was watching and listening to Johnston. This is especially so when recalling that Bruce Mead issued his purchase letter to Johnston just two days before the article appeared in the *London Times*. At stake, when one includes all the certificates under Johnston's control, was a staggering US\$300 billion worth of gold. This does not include the large quantity of gemstones, platinum, foreign currency and, in fact, three even larger gold certificates in the possession of the Last Legal Holder.

A number of subsequent letters and telephone conversations from both Source A and Source B have a considerable bearing on this story:

**Source A phone call 27 June 1995:(3 months after arrest)**

"The assets [certificates] are genuine and authentic."

"In 1972 forty-eight (48) countries signed off a convention as to the assets under the Doctor's [Damanik] control."

"This is a political red hot potato..."

The Federal Reserve/IMF have given in principal proof for a Government entity to lease/purchase the assets..."

**Source B letter dated 12 April 1995: (1 month after arrest)**



"... any prospective buyer... needs Federal approval. My principals have that approval."

**Source B letter dated 12 July 1995: (3 months after arrest)**

"Firstly, the contract format enclosed is the ONLY means of transacting this proposal successfully. It would not be possible to 'buy' this amount without destroying the existing market and with it, the Western economy. I do not overstate the fact. The transaction will be overseen by representatives of several authorities including the Federal Reserve and the IMF..."

"It is our estimation that total integration of these transactions into the world monetary system will be in excess of forty years..."

**Source B letter dated 21 September 1995: (6 months after arrest)**

"... I take this opportunity to re-affirm that the position of my principals remains unchanged. We are ready to transact immediately for any and all of the Metal and paper currently held under signature of Dr. Damanik..."

The last is interesting in that the principals clearly understood that Dr. Damanik (the Last Legal Holder) was not the owner of the certificates and underlying gold metal, but rather a conduit. This fact is repeated again and again, by both sources. In fact, they appeared to know a great deal more about Damanik's past activities than did Johnston:

**Source A letter dated 7 July 1995: (4 months after arrest)**

"The Dr. has issued in the last few years, no less than seven mandates [Johnston being the latest]. Those mandates were withdrawn three weeks ago."

"No mention of this transaction must be leaked in any way to any one. If it is leaked, the whole matter will become very serious indeed and I have been informed that we could face very serious consequences."

**Source A letter dated 28 June 1995: (3 months after arrest)**

"We trust you fully understand and appreciate our verbal explanation of why the assets under the signatory control of Dr. Damanik, have not been given approval by the U.S. Federal Reserve and the I.M.F., since 1972, inclusive of our proposed transactions and same for any transaction that would generate profits by hypothecating the assets value into a Trading Programme."

"Simply, or politically, the West, Fed's and the I.M.F. will not and can not allow the magnitude of the profits, the power and the worlds financial foundation to be put at risk by the unknown and uncontrolled utilisation of the proposed profits."

**Source A letter dated 19 June 1995 (3 months after arrest)**

"We have been warned and instructed that nothing of this transaction should become common knowledge and any leakage would result in the closing down of this project."

"We are given information only on a face to face basis by a representative of GOVERNMENT. This Government has given explicit instructions that nothing at all should be stated on open telephone or fax, only by face to face contact. Our faxes and phones are being constantly monitored as are

yours, even if you do not know it."

Australians do not enjoy being ordered around, especially by Poms. The content of some of these statements was sufficient to light a blue touch paper and matters soon became acrimonious. In Source A's letter dated 7 July 1995, wrangling and intransigence had appeared to cause, according to the writer, a response from the US Feds:

'The Feds 'have now instructed that all papers appertaining to this transaction in the hands of the syndicating banks to be shredded immediately.' The writer added: 'The transaction has to be cleaned and started again from scratch.'"

When I telephoned and spoke to Source A, on 28 November 1996, the individual was audibly shaken and clearly scared. After some minutes and my dropped comment that I had copies of all his correspondence, he agreed to speak, providing I withheld his name. He had been advised not to speak of this subject by "unofficial channels," he said. He confided these channels were "US Intelligence." In a still later conversation, he identified this as the FBI. Meanwhile, he related he had been "instructed" to shred all documents related to the gold certificates. Finally, he said that publication of the story could wreck the western economy. So far, I have been unable to speak directly with Source B.

Both Bruce Mead and Source A, at one time or another, stated that the stories of Nazi and Japanese gold were true. Oddly, I had not posed this question or even hinted at it, but it was to prove a vitally important avenue of investigation. However, during my late 1998 telephone call with Source A, I specifically asked the origin of Dr. Damanik's gold. "Marcos," was the one word reply.

### **THE MYSTERIOUS DR. DAMANIK**

So who is this mysterious Dr. Edison Damanik who has access to so much gold? Born 30 November 1930, in Pematang, Slantr City, Northern Sumatra, he later lived in the USA where he studied for his Doctoral degree. He later travelled widely in Europe and Asia before returning to live in Indonesia. He was a former Indonesian policeman holding the rank of Inspector.

Johnston understood he was an "adviser" to President Suharto and a "consultant" to the Suharto Government. This has been confirmed by his son, Petrus, who said his father had a "connection" with President Suharto as well as the Central Bank of Indonesia. Moreover, during a trip to Switzerland in 1995, Johnston had a brief, chance meeting with the daughter of former President Sukarno, who was accompanied by French-Canadian attorney, Guy Lassard. During this meeting, Sukarno's daughter expressed her knowledge of the certificates and proclaimed they were genuine.

Damanik, meanwhile, was the Chairman of a financial entity titled P.T. Galaxy Trust with a registered address in Tomang, Jakarta. Johnston told the Police what he knew of the background and history of this trust during his interrogation. Originally, a trust had been founded in the late 18<sup>th</sup> century, called the Molexi Trust and was registered in Hong Kong. This was one of seven trusts in operation, each with its own trustee/director, but Dr. Damanik was the last surviving trustee for all of these. Johnston and Bristow, in piecing this information together, concluded that the seven trusts had been connected to the seven wills of Cecil Rhodes. In any event, Molexi Trust appears to have been absorbed by a new entity, P.T. Galaxy Trust, in the late 1920's or early 1930's. All the gold certificates and other financial papers (platinum, gemstones, cash deposits etc) were now nominally owned by P.T. Galaxy Trust.

There is no question that this trust exists and that Johnston was legally empowered to



negotiate various gold and platinum certificates (and other valuables) on its behalf. I have in my files hundreds of pages of documents, letters of authority and other papers attesting to this fact.

Nor do I doubt that these certificates were of substance. Dozens of different companies and banks around the world had issued corporate offers to buy them. This included, as we have seen, a state-owned bank in France, Credit Lyonnais, as well as a shadowy and hitherto unidentified "syndicate." Others have included, Phillip Morris, the massive American tobacco company and, in fact, the Government of France, in the form of the Interior Ministry's own company SOFREMI (Societe Francaise D'Exportation de Materials, Systems et Services du Ministere de L'Interieur). Their letter dated 25 May 1996 was addressed to: "last legal holder of International Guarantee Certificate - Dr. Damanik," and bore the reference "96/21-BP/MV/2945. It was headed "LETTER OF INTENT."

The text of the letter is straightforward and to the point: " We are willing and able to work with certain international gold guarantee certificates. We would like to present to your attention Mr. Nicholas Marorslavac, Administrative and Financial Director of SOFREMI." It was signed Bernard Poussier, Executive Vice President.

I felt this was of some significance and, therefore, asked a high level financier I was acquainted with to verify the letter. He confirmed that Mr. Poussier was the EVP of SOFREMI, and that the signature purporting to be his was a good likeness. [ii]

Damanik told Johnston and Bristow some, but not all, of the background to the origin of the certificates. He said they resulted from a "Private Secret Treaty" that arose in 1954. He also said this had to do with the Bandung meeting that was held in Bandung, Indonesia, in 1955. This was the first ever meeting of the Non Aligned Nations. Attending the meeting were numerous heads of state and other senior government representatives. Included, was China's Chou En Lai, who the CIA planned to assassinate during the meeting. Not least, Damanik said the certificates were to do with "Rhodes scholars, who are the keepers of the currency."

Other certificates Johnston was authorised to negotiate included, as named holders: Mao Tze Tung, Mr. Todor Zhivkov, Augusto Pinochet, Mr. Kim Il Sung, Mr. Ferdinand Marcos, Mr. King of Bhumbol (King of Thailand), Adnan Kasogi, Hosni Mubarak and Chaim Herzog. Almost without exception, these names have been misspelled, incorrectly titled or possess other grammatical flaws, such as that for "Mrs. Queen Elizabeth 11," - also rendered on other documents as "Mrs. Elizabeth Queen 11."

Not only do the foregoing, in most cases, form an international rogues gallery of some of the most gruesome and bloody dictators in recent history, but most are known to have been eminently corruptible. [iii] Meanwhile, if forgeries they are - something that I sincerely doubt - then the master forger should be hung for these slipshod errors.

This is not, however, reflected elsewhere on the certificates, which are otherwise of an immaculate standard. Whoever it was that prepared these documents, clearly was expert and went to a great deal of time and effort. For example, the quality of the paper, the ink, the various designs, artwork and presentation are first class.

In my earlier career in the City I have handled almost every form of "bank paper" ever issued (from bearer bonds to stock certificates and certificates of deposit and bills of exchange through to promissory notes - and many others besides) and I have rarely seen such quality as these. [iv] Therefore, it strikes me as very odd indeed, that a person (or persons) capable of producing such high standards and intricacy of detail would fall foul of such elementary mistakes as spelling errors and the misrepresentation of correct titles.

For this to occur once or twice is, in my view, extremely unlikely but just about feasible. But, for it to happen in *every* case defies belief.

Moreover, it is worth repeating that each certificate was in reality a set of documents. For the 740 MT, this consisted of 17 certificates and 20 Heritage documents. Printed front and back in fine detail, the entire "set," totalled 74 different pieces of artwork. This alone demonstrates that these documents represented a considerable investment in time and effort.

Earlier, I discussed the witness statement of German banker Wolfgang Jentsch, in which he outlined a series of steps that required being followed to validate secret Government documents of this type. Johnston, in fact, received very detailed instructions from Dr. Damanik in this respect. These were as follows:

"Irrespective of the fact that the papers may bear the name of a well known Prime bank, these papers are Government papers issued under Private or Secret Treaty between the Government Ministry of Finance and the Holder using the named Prime Bank [s] as a vehicle only, and at a level of strictly limited access; i.e., at a minimum level of Corporate/Government banking. These types of transaction exist due to the fact that the value of the transactions were/are beyond the capacity and/or resources that many Prime Banks can commercially handle with full and diligent risk management; therefore the Government would guarantee the transaction's security and/or yield with the sanction of the IMF." [v]

These instructions consist of three A4 sized, single spaced paragraphs of text that I do not intend to repeat verbatim here. However, suffice it to say that this stipulated that validation could only take place on a Government to Government basis through "the United States Federal Reserve Bank." [vi] Damanik was even more specific when he mentioned the name of Alan Greenspan, Chairman of the Fed. He also added that the certificates were "... extremely politically sensitive and are issued by various Governments using the notated Prime Banks as a vehicle only." [vii] The clarity of this last statement speaks for itself.

Each potential buyer was issued with these instructions and provided with a diagram that showed the route they had to take. In a simplified form this was: buyer contacts their domestic Government MoF/Central Bank who contacts the US Federal Reserve. The Fed then contact the issuing Government MoF/Central Bank who contacts the issuing "vehicle" bank. Any response must move back along this chain to the buyer. If the response is satisfactory, the buyer can then proceed to purchase the certificate and underlying gold bullion. In the event that the buyer chose to contact the IMF, a different procedure was to be employed. [viii]

In the Spring of 1998, following Damanik's death, his wife Mrs. Etty Purnama-Damanik, "in her personal and corporate capacity for and on behalf of the legal beneficiary/owner," instructed Johnston and Bristow to forward all original documents to Kontas Investments Limited, a corporate entity with a registered address in Basel, Switzerland. [ix] This was to facilitate a "reorganisation" of Dr. Damanik's assets.

This brought to the end four years hard and gruelling work for Johnston and Bristow. The cost of their efforts had been horrendous. Both had lost their houses, their entire savings and in Johnston's case, his liberty for twelve months, plus tarnishing his reputation. Neither of them had earned a penny in the process and, in fact, calculate that the venture cost them a total of A\$1 million. [x]



**Footnotes**

[i] This, as you will see, did not even remotely inhibit their enthusiasm to purchase a number of bullion certificates Johnston was offering. In fact, none of those lining up to purchase gold from Johnston took the slightest heed of his arrest (other than offering commiserations for his bad luck). Without an exception, all were convinced there was substance to the gold certificates and regarded the intervention of the authorities as bothersome and politically motivated.

[ii] .For personal reasons, however, he felt it unwise for him to make direct contact with SOFREMI to verify further.

[iii] One notable name is obvious by its absence, in my view: Suharto.

[iv] The closest match in quality in my experience are bearer bonds.

[v] Drawn from notes provided to me by Johnston and Bristow. Interestingly, each certificate had IMF codes printed on it.

[vi] These pages were prepared by Johnston and Bristow under the specific direction of Dr. Damanik.

[vii] Another individual who was negotiating some of these certificates was an authorised intermediary for an Eastern European Government. This individual, operating through the Central Bank contacted Alan Greenspan at the US Federal Reserve. I have a copy of the preliminary faxed reply.

[viii] Using the "vehicle" banks as a guide the following Governments appear to be those party to the Secret Treaty: Korea, Switzerland, Hong Kong (i.e., United Kingdom), United States, Sweden, Canada, Australia and France. All told there are 19 sets of documents representing gold bullion (AU), Platinum (PT) and substantial (tens of billions US dollar equivalent) cash deposits in Canadian Dollars, US Dollars and Swiss Francs. Other documents concerned large carat diamonds.

[ix] Mrs. Puranama-Damanik's letter dated 28 April 1998.

[x] Meanwhile, the Eastern European Government intermediary referenced above has been in contact with Kontas Investments. During a meeting in London in summer 1998, he told me he felt that the certificates had become too well known and that restricting access via Kontas was a wise decision.

**PART 2.1****BIG BANG CIRCA 1954**

And here, but for a number of curious coincidences, my involvement in this story may have also come to an end, too. However, in trying to understand the nature of the black gold market and to discover what was hidden behind the Secret Treaty, I began to uncover a welter of additional information.

For some time I had been in contact with a BBC journalist about a story wholly unconnected to World War II plunder and black gold. [i] This individual had, in the

course of his own investigation, interviewed a former ONI and CIA officer following the latter's release from custody by Austrian officials in late 1996. The meeting had occurred in a forest in Austria, for security reasons, I was told. The CIA man was Gunther Russbacher -- regarded by some as tricky and potentially deceitful but still others, including author Rodney Stich (*Defrauding America*) consider him very reliable and extremely knowledgeable in matters of a "black" nature. Russbacher, whose father was an Austrian officer in Nazi intelligence during the war, emigrated to the United States in, I understand, 1954 (although others have the date as 1950) and settled in Oklahoma City. Russbacher's German connection fits the pattern.

In any event, Russbacher told the BBC journalist that huge quantities of Nazi gold had been shipped to South America, via Spain, just prior to the close of World War II. The loot had sat in South America for a number of years, but as soon as its existence became known to Israeli intelligence the plunder was immediately transferred to the Philippines and hidden, Russbacher said.

Over a year after my interview with Russbacher, I was put in contact with Ken Krohn, who I was told was a business associate of Russbacher's. I telephoned Krohn in California on 27 February 1998, telling him I was conducting research into black market gold deals. He immediately asked if I had been speaking to Russbacher. At that time, I had not, and I told him so. Krohn then stated that he was a member of "Gunther's Team" and had acted in the role of "Stateside Anchor." Krohn then asked me to call him back the following Tuesday so that he could, in the meantime, refresh his memory from his files. He had, he said "names, dates, files. It'll make your hair curl."

On 3 March 1998, we had a further lengthy telephone conversation. Gunther's Team was, Krohn indicated, part of the ongoing Nippon Star outfit headed by General John Singlaub. [ii] Russbacher's team consisted of five Americans and a handful of Filipinos, who between them had recovered in excess of 500 metric tonnes of gold stashed in the Philippines. The Philippine stash included bullion plundered by the Nazis as well as gold stolen from China during World War II. The gold recovered by Russbacher's team had, Krohn said, been sold to the Austrian National Bank at an 11.6% discount from the prevailing price of gold. Krohn added that the banker at the Austrian National Bank who handled the negotiations and transfer was Dr. Werner Metz. On the Philippine side, the deal was handled by Gabriel C. Singson, Chairman of the Philippine National Bank, acting on behalf of then- President Fidel Ramos. Krohn said that President Ramos's wife had travelled to Austria to get the "commission."

The intermediary who negotiated the deal between the two parties was, Krohn said, former U.N. Secretary General Kurt Waldheim -- who, Krohn said, was a relative of Russbacher. The Austrians wanted the gold to "support the Eurodollar," according to Krohn. He said that when he, together with Russbacher, and other members of the team, travelled to Austria, they were met at the airport by Austrian security. Russbacher was arrested and taken away, but Krohn and the rest of the team were merely roughed up and then flown back to the US on the first available flight. Krohn contended that Russbacher had double-crossed them all and had disappeared with everyone's commission.

Interestingly, Russbacher's former wife, Rayelan Russbacher, tells a tale that is identical to Krohn's account in all material respects, except as to the quantities of gold involved. In early May 2000, Rayelan Russbacher faxed me copies of about 30 documents relating to her former husband's gold deal as described above. The code name for the transaction was "White Robe/150-920-458." The documents she faxed show that the intended transaction was, in fact, a series of between ten and 50 transactions, each involving a quantity of 2,500 metric tonnes of gold negotiated at a discount rate of 10% (rather than



the 11.6% rate described by Krohn). Additionally, the commitments for these transactions could be "rolled over" and "extended" up to a total of 500,000 metric tonnes. A first "test" tranche of 2,500 tonnes with a face value of approximately US\$30 billion was called for (giving a price of about \$370 per ounce). This staggering deal, if consummated in full, had a price tag of US\$6 trillion – equivalent to the current US national debt!

Kurt Waldheim's apparent involvement in this deal raises an additional aspect worth exploring, if only briefly. Waldheim was appointed Secretary General of the United Nations in 1971, a position he held until 1981. It is inconceivable that his background as a Nazi officer would not have been known to the US government, which would have thoroughly, albeit informally, vetted him at the time his name was thrown into the hat for the UN job. In all probability, details of his service in the Wehrmacht would have been available to US authorities -- and particularly the CIA -- and the Gehlen Org since at least 1955, when he took up his seat as the official Austrian delegate to the UN.

It, therefore, must have come as a shock to Waldheim to see his name in headline banners in the world's press, linked to Nazi war crimes. Details of these allegations were provided to the *New York Times* by the US Justice Department and appeared in that newspaper in an article published on 13th March 1994. Coincidentally -- if one believes in coincidence, Father Christmas and the tooth fairy -- it was at this precise point in time that the Russbacher bullion deal was about to be signed (much the same situation as the *Times* newspaper article that appears to have scuppered Johnston's deal with Credit Lyonnais that was outlined earlier). Interestingly, Russbacher's colleague, Michael Blinston, who was overseeing the deal, sent a fax to Russbacher in late February 1994 in which he voiced his concerns that a "Mr. Pruitt," who represented the London office of Citibank, had arrived in Manila with an authorised "buy order" to purchase the gold on offer.

Suspicious, Blinston wondered whether their deal was "being delayed on purpose to allow Citibank to take the deal from us?" He then adds that it "sounds familiar does it not???" (See the "Russbacher" Appendices) In any event, on 15th March 1994, two days after the Waldheim allegations hit the headlines, the Central Bank of the Philippines finally issued an authorised offer to sell the gold to the Austrian central bank. One can speculate that a CIA faction other than the one to which Russbacher belonged decided to try and scupper the deal and, perhaps, arrange to have its own team get awarded the contract instead. Such gamesmanship is not uncommon to large transactions, and, in this case, truly prodigious amounts of money were involved.

It is also of interest that one of those involved in this transaction was referred to in documents as "Philippine Passport – L-506511" and now identified as Imelda Marcos. Her role was not as seller but as an intermediary who would accrue a fee of .25%. What is intriguing about this deal is the total quantity involved. Shown in the exhibits to this manuscript is a letter from the Knights of Malta entitled "Lansdale Project," which states in the fifth paragraph: "Reference 500,000 MT: The reaction on the 500,000 MT will also be discussed during the meeting." The meeting referred to was a "sit down" by the "Washington people" to discuss the "ramifications" of another Lansdale transaction. Significantly, this letter was part of Peter Johnston's papers, although Peter had absolutely no knowledge of Gunther Russbacher and his involvement in a similar (or the same) transaction. The connection is, clearly, Imelda Marcos, who had a finger in both Peter Johnston's and Russbacher's deal.

Some while after my discussions with Ken Krohn, I was able to make contact with Russbacher directly. On 30 August 1998, we spoke for the first time by telephone. This

call was followed by two further telephone conversations. Russbacher listened as I repeated Ken Krohn's recollection of events. He asked what I knew of the background to the story. I repeated what I had learned from the BBC journalist -- that Nazi gold had been shipped to South America where it had been discovered by the Israelis, forcing its relocation to the Philippines in 1954 -- and that this led to a "Secret Agreement." [iii][iv]

Russbacher responded to my description with an emphatic "Boom!" After a pause, he asked if Krohn had given me names. I said he had. Russbacher then asked if I knew "who the facilitator was" I responded by asking him whom he meant. He evaded my question and seemed relieved that I didn't appear to know about Waldheim's role in the transaction. After confirming that he was aware of Singlaub and his role in Nippon Star gold recoveries, Russbacher said he preferred not to answer any more questions. This was a sensitive subject, he said. According to both Krohn and Rayelan Gunther Russbacher, (who, as you will see from the exhibits used his full, original Austrian name of Russbacher Erz Herzog von Esterhaszy) is a member of the Templar Knights.

In an email message dated 15 August 1998, Rayelan told me that the 500 MT transaction arose following an approach to Russbacher by Sam Nicanor, a Filipino citizen who she believed was also a covert contract agent for one of the American intelligence agencies or groups. She added that at that time, "Sam was arranging a gold transfer that involved gold that was not the Austrian treasury.... It was gold that belonged to the founder of Krupp."

Meanwhile, one fact that leapt out at me from all this was the date 1954. It could easily have been a coincidence, but then again it might have a distinct bearing on Peter Johnston's story. It is of interest, too, to learn that it was the year 1954 when Mossad boss, Isser Harel, travelled to Washington to meet with CIA Director, Allen Dulles. The result of the meeting was the beginning of an intelligence "partnership" between America and Israel that would soon benefit the smaller nation with a plethora of state-of-the-art technical spying equipment. What it did not do, obviously, was assign Israel any secrets of the American atomic weapons programme that was heavily protected by the Atomic Energy Act of 1954 as well as prevailing US espionage laws. [v]

The 1954 date also eventually led me to wonder if there were any trails leading to Martin Bormann and his huge hoard of Nazi plunder. At that time, Bormann was living in Argentina under the special protection of its dictator, Juan Peron. Peron was cast out of power in 1955 and fled to Spain to live in safety where he could count the \$1.5 billion fortune he had amassed from corruption and "donations" made by the new Nazi paymaster, the former Reichsleiter, Martin Bormann. Was it conceivable that Bormann had learned of a forthcoming plot to oust Peron and so took action to secure his assets? It is admittedly a fanciful idea that has no factual backing whatsoever. Still, it is often by such curious "brainstorms" that meaningful connections are unveiled. The Bormann connection would later prove of considerable importance to my investigation.

Of significance too, was that Ken Krohn stated that the quantity of gold recovered by the Russbacher team was "nearly" 400 metric tonnes. This is a very interesting figure. In the international black market, quantities of "AU" (gold) are often used as an identifier to a given transaction. A wise seller will, if unsuccessful the first time around (as often is the case), re-offer the bullion in multiple smaller volumes -- or in tranches -- to camouflage the fact that the gold has been offered in a previous, failed, transaction. As an example of identification by quantity, a large block of gold originating from Thailand continues to re-appear periodically in the black market and is immediately identified by its quantity - marginally above 5,000 metric tonnes.

I will return to the Russbacher-Krohn and Bormann connections shortly.



## Footnotes

[i] Chemical and electromagnetic mind control technology.

[ii] For a background on Singlaub and Nippon Star, see Sterling Seagrave *The Marcos Dynasty* (London: Macmillan, 1988) at 395-396. I must also offer my thanks to Gunther Russbacher's former wife, Rayelan, who has assisted in my research and who donated a number of invaluable documents from Gunther Russbacher's files.

[iii] The implication I have drawn from this "Secret Agreement" is that the Israelis were given a percentage of profits. To some, this may sound a cynical interpretation on my part. To those who doubt, I would recommend reading Loftus and Aarons, *The Secret War Against the Jews* (St. Martin's Press, 1994) to understand how Israel blackmailed Western nations in order to survive during the critical years of its existence. Of note in this regard is that one of the certificates Johnston had access to was issued by the Bank of America, dated November 1984, in the name of Chaim Herzog.

[iv] It is a fact that Israeli agents were in hot pursuit of Martin Bormann (and Mengele) at this time. Bormann had control of a vast fortune of Nazi assets and loot, including the "bulk of the treasure that had made up the financial reserves of the Deutsche Bank," according to Paul Manning, *Martin Bormann - Nazi in Exile*. Manning had access to an FBI surveillance report that stated "At the end of 1954, Martin Bormann was seen in Mina Clavera, Cordoba in the company of two men with Spanish surnames. He was calling himself Jose Perez." Bormann's head of security, Heinrich Mueller, in order to put investigators off the scent, periodically would leak stories to the press that Bormann's body had been located. In one case, in 1955, the remains of an "Israeli agent who had gotten to close to his target" were exhumed. Manning at 213.

[v] See Gordon Thomas, *Gideon's Spies*, (London: MacMillan, 1999) at 29,30 and 81.

## PART 2.2

### MARCOS GOLD

In any event, I had already begun looking at stories about Marcos gold with a great deal more interest. I was also struck by the fact that of all the certificates in the possession of Dr. Damanik accessed by Johnston, the oldest was a gold certificate in the name of Ferdinand Marcos. This was dated 9 September 1956 and was for a "deposit" of 7,120 metric tonnes of AU issued by Swiss Bank Corporation (Schweizerische Bank Gesellschaft M.H.C.). This was some years before Marcos was elected as a senator and years before climbing his way to the presidency of the Philippines. It was in the "early fifties" that Sterling Seagrave has Marcos collaborating with Japanese-American investigator Minoru Fukimatsu as he interviewed over 300 witnesses to gold burial troves in the Philippines. Both men also accessed secret Japanese government archives. Seagraves adds that Fukimatsu "came up with a map and in November 1953, began

digging. " [i]

Over twenty years later, the CIA had become a partner with [then] President Marcos in shipping vast quantities of gleaming gold bars -- bearing the triple A "chop" (a term used to describe hallmarks) -- to Australia (and elsewhere), courtesy of the Nugan Hand Bank, which flew the bullion into the giant CIA/NSA facility at Alice Springs. [ii] The gold thereafter disappeared at about the same time that one now internationally well-known Australian media man began his spectacular march to global tycoon-ship. [iii] Meanwhile, papers in my possession show that another Australian bank was selected to hold a very large stockpile of Marcos gold. This is none other than Peter Johnston's bank -- Westpac.

But there were other 1954 "coincidences" that were also equally striking. Not least was the fact that the London Bullion Market, which had closed at the onset of war in 1939, suddenly decided to re-open on 22 March 1954. Even before World War II began, England was financially barren. Joseph Kennedy, who was the then US Ambassador to the Court of St. James, reported that England had no gold, whatsoever, of her own. Six years of harrowing global warfare could only have worsened that already bleak economic picture. But by 1954, apparently, there was sufficient gold "in play" to warrant the revival of the London Bullion Market. Where did the gold come from? Was it just that South African production had reached sufficient levels to make trading gold in London economically viable once more, or did insiders know something the rest of us weren't privy to?

Paul Manning -- the highly respected Pulitzer Prize nominee journalist -- in his book on Martin Bormann and the mystery of disappeared Nazi assets and war plunder notes "the economic bastions of power that he [Bormann] established in the neutral nations of the world in 1944 were the bedrock enabling the West German government to rise from defeat, once they had again become masters of their destiny after the Treaty of Paris in 1954." [iv] In other words, the vast amount of Nazi assets and loot that had disappeared when Martin Bormann fled to South America in 1945 were quietly repatriated to the newly created Federal Republic of Germany following the Paris Treaty of 1954.

Whatever else might have happened in 1954 (including the French defeat at Dien Bien Phu and the arrival in Saigon of top CIA strategist Edward Lansdale, who fought deadly battles against French military intelligence for control of the region's opium business), one event cannot be overlooked. This was the first ever meeting of the Bilderberg group during 29-31 May 1954. [v] That first meeting was dominated by American, British and then German participants who filled 36 of the available 67 slots. This is not the place to go into detail about the Bilderberg conferences, except to note for those who are unfamiliar with the Bilderberg group that it is a very powerful elite Western forum that is surrounded by almost impenetrable secrecy. The group was headed by one-time SS probationary member, Prince Bernhard of the Netherlands, until he resigned in disgrace following publication of the story about his acceptance of kickbacks in the Lockheed bribe scandal. Bernhard was shown to have accepted \$1 million as far back as 1962.

In the light of the foregoing, it is hard not to conclude that some form of "secret treaty" may well have been signed in 1954 that involved the recovery of World War II plunder -- both European and Asian -- and that a portion of it was subsequently used in US military and intelligence "black operations." I note that most of the certificates that Peter Johnston had access to through Dr. Damanik are dated between 1980 and 84 -- the very period when the CIA was actively participating in laundering Marcos bullion. [vi] All these certificates represented caches of gold and platinum. Three certificates, one of which was dated 1963 and the two others with dates of August and December 1972, were



for cash deposits denominated in Swiss francs, Canadian dollars and US dollars and running into many tens of billions in equivalent US dollars.

This is interesting, because author Sterling Seagrave in *The Marcos Dynasty* observes that Marcos was able to secure "... large loans using as collateral gold bullion that he was as yet unable to get out of the Philippines." [vii] But how large is "large"? The "International Transaction Obligation" certificate that Johnston had access to, issued by the Union Bank of Switzerland, was dated 17 January 1963, and was for SFR 92.625 billion. Moreover, this certificate is in the name of "Adnan Kasogi" and bears the "Special Code": "Panama Fusse King." Although Khashoggi's name has inevitably been misspelled, it is interesting to note that he was "Ferdinand's pal and Imelda's disco partner, fellow Lockheed agent and business associate of Kodama." [viii]

The ability of Marcos to secure loans against gold still stashed on the Philippines is not without a historical precedent. In his best-selling book *A Man Called Intrepid*, author William Stevenson discusses the gold reserves shipped by France to the French island of Martinique – located off the American coast. He says that these reserves amounted to 50 million ounces, or approximately 1,550 metric tonnes constituting the bulk of French gold reserves. The British greatly feared that Vichy France under Petain would release this gold to the Nazis. At the time, England was bankrupt. Intrepid devised a plan to steal the gold from Martinique, but this proved difficult. Instead, he decided it was just as easy to effect "control" over the gold by subjecting it to a naval quarantine and showing that it was *feasible* to capture it if necessary. The idea was to then use the gold to support US loans to Britain for the war effort, which one historian quipped was "an exercise in constructive blackmail." [ix] Interestingly, I asked the Foreign Office historian who researched and wrote the September 1996 "History Notes – Nazi Gold: Information from the British Archives" what happened to the Martinique gold. She had no idea, she said. It remains unclear if the plan was carried through or shelved, although the latter seems more likely.

Let us return to the Marcos documents. To my mind, the peculiarities in this story abound and multiply. The 1963 Swiss franc cash certificate was issued just months after Prince Bernhard received his first known kickback from Lockheed -- which was being used as a "cloak" by the CIA to funnel political bribe money all over the world. [x] The certificate is in the name of Marcos's friend, Adnan "Kasogi," a "fellow Lockheed agent" of Yoshio Kodama. The latter was, as Sterling Seagrave clearly demonstrates, a rear admiral in the Japanese Navy during World War II as well as a member of the Japanese Yakuza crime clan.

More significant still is the fact that Kodama worked for the Japanese prince who headed the Japanese secret service and who was overlord of the Japanese plunder teams known as "The Golden Lily." The Golden Lily operated in Mukden in Manchuria, but had its headquarters in Manila, the capital of the Philippines. Kodama was tasked with "shepherding masses of war loot in naval vessels ahead of him under the watchful eye of naval officers seconded to him." [xi] The loot had been plundered from all over Asia under Kodama's authority and was moved "up the coast of Borneo through Brunei to the Philippines," where it was eventually buried. [xii]

The two other cash certificates Johnston was involved with were: an International Certificate titled "Commercial Deposit" issued by the Royal Bank of Canada for Can\$ 9.36 billion dated 12 August 1972 in the name of Hosni Mubarak and an international certificate entitled "Obligation of Certificate International Certificate of Deposit" issued by the Bank of England, dated 15 December 1972 in the name of Mao Tze-Tung for US\$16.62 billion. 1972 was an interesting year. First, President Nixon had closed the



gold window only a year before, in 1971, thereby disconnecting the US dollar from gold. It is also the year Nixon was re-elected and met, in February, with Chinese leader Mao Tze-Tung in Peking (now Beijing). One individual familiar with a great many of Marcos's secret gold transactions claims that Nixon gave China 200,000 metric tonnes of gold in exchange for an agreement that China would "stay out of any Asian expansion for fifty years." [xiii] Interestingly, my own records also show a number of gold transactions involving China but the nature of its involvement is less than clear.

Of interest in regard to the Lockheed bribe scandal is the fact that Lockheed's European Sales Director, Dutchman Fred Meuser, had been a member of Prince Bernhard's wartime air force squadron. Of equal significance, I think, is the fact following the war, Meuser "... joined Lockheed, became a naturalised American citizen and in 1954 was transferred to Geneva." [xiv]

Another member of the Lockheed bribe team was Nicholas Deak, a former OSS/CIA officer who formed the money-broking firm of Deak & Co. Through this company, Lockheed funnelled funds to Yoshio Kodama and then on to senior Japanese political figures, including Prime Minister Nobosuke Kishi -- one of Kodama's protégés. [xv] Nicholas Deak's company later joined forces with Lionel C. Perera, who founded the money firm of Perera, Manfra & Brookes. This led to the formation of Deak & Co, Perera, Manfra & Brookes. As a young US Army Major, Lionel Perera was attached to the Chief of Military Government Finance Office at Third Army in Germany at war's end, where he interviewed Colonel Rauch. Rauch, an SS colonel, was responsible for hiding the Reich Bank gold reserves and other war loot in the Bavarian Alps in the weeks prior to the end of the war. [xvi]

In any event, while Lockheed's Fred Meuser may have been the European expert at political bribery, the CIA's Edwin Wilson was certainly an expert at political blackmail. Wilson, coincidentally, also operated out of Switzerland for many years. Wilson's close buddy in the spook agency, Frank Terpil, told author, Jim Hougan, that "Historically, one of Wilson's Agency jobs was to subvert members of both houses [of Congress] by any means necessary..." [xvii] Wilson's technique of influence normally involved sexual blackmail. VIPs would be "coerced by living out their sexual fantasies in the flesh... A remembrance of these occasions [was] permanently recorded via selected cameras... The technicians in charge of filming...[were] TSD [Technical Services Division of the CIA]. The unwitting porno stars advanced their political careers, some of [whom] may still be in office." [xviii] Wilson's skill in these matters dated back to the 1950s, when he took over a network of homosexual and paedophile rings from CIA asset and McCarthy Committee counsel Roy Cohn. [xix]

Yet, Europeans needed no teaching about the art of political blackmail and bribery -- a practice they had polished and refined for hundreds of years. An instructive example of this skill is featured in the story of Italian financier Florio Fiorini, former Director of Finance of ENI, the huge state-owned Italian Oil Company. Fiorini, who was later arrested and imprisoned for "fraudulent bankruptcy," was ousted from ENI for his attempts to salvage Roberto Calvi's ailing Banco Ambrosiano -- the bank most closely associated with the Vatican Bank, headed by American-born Bishop Paul Marcinkus. Readers may recall the volume of persistent reports of the Vatican Bank's involvement in laundering looted gold from World War II -- a charge the Vatican Bank denies.

Denials or not, Peter Johnston was also kind enough to hand me his files for other bullion transactions he was involved with before he became entangled with Dr. Damanik's Secret Treaty transactions. In one of these deals, Johnston met with Imelda Marcos and others representing her interests to negotiate buying various quantities of metal. One of these



transactions involved a large quantity of gold (at least 7,500 metric tonnes) held by the Dresdner Bank, Frankfurt. Johnston was given a written authority by the then current account holder, Alfredo De Ramos, to validate how much metal was in the account and if it was free from all liens and encumbrances. The account was in the name of "Ramon Poirrotte/Alfredo de Ramos," and showed the client code as "UEB Industries Mex." [xx] Johnston duly arranged for Dresdner Bank to be contacted and given the signed authority to verify the account. In a fax dated 6 November 1995 to his Philippine partner, Johnston stated:

"Dresdner Account - Ramos. 1) The account is intact. 2) There is a lien against the deposit fixed at 80% of the value. This encumbrance involves the Australian government and an unknown government. 3) The Dresdner Bank request an 'upfront' payment of 20% of the deposits value before full negotiations can be implemented. 4) There has been a previous enquiry by a Swiss lawyer approximately three months ago. This person is now missing, presumed dead."

Johnston closed his message by saying: "Our buyer is reluctant to proceed in light of the above. Do you wish to 'open' negotiations with alternative buyers?"

The reply he received the following day is brief and to the point:

"It is true the account was used by the Government of Australia and Singapore, but it matures this year, 1995, or matured already. This is according to the holder/signatory. Also, there is a written agreement between the bank and the governments and this contract is with the bank..."

The fact that a Swiss lawyer had disappeared and was now presumed dead, just for having earlier probed this account, seems to have attracted little interest on the part of Johnston's partner. Johnston had earlier been confidentially advised that the proceeds of the Dresdner Bank account were to be divided as follows:

- 1) Dresdner Bank, 2) Peoples [sic] Republic of Germany, 3) Peoples Republic of the Philippines, 4) United States Government, 5) Vatican and, 6) Owner/holder signatory.

Other documents make it clear that the name in which the Dresdner Bank account is held, *i.e.* Ramon Poirrotte, is also known as Jose Antonio Diaz, of the Monte Carlo registered Diaz and Poirrotte Enterprises. This is none other than Don Severino Garcia Sta. Romana, a legendary OSS officer who died in 1974. In fact, Romana had numerous aliases and worked closely with Edward Lansdale in the Philippines during the early fifties to put down the Huk uprising. Even though the Huks were not considered any sort of danger and were not expected to seize power, they were put down with great brutality. At the forefront of everyone's mind, presumably, was the great troves of bullion and gems stashed in locations that the Huks had occupied.

Don Severino Romana's Dresdner Bank deal referenced above was merely the tip of a far larger iceberg. Other related transactions totalled over 90,000 metric tonnes of gold. Over 30,000 metric tonnes of this were represented by gold bullion certificates held in an account at the Union Bank of Switzerland, Zurich, in the name of Maj. Gen. Edward Lansdale. [xxi] That such quantities of gold exist outside of official channels is staggering, because, according to official figures, no more than 135,000 metric tonnes of metal has been mined since 4,000 B.C. However, things, as we have seen, are not always what they seem to be. The official mining figures do not, and never have, included gold from China, Southeast Asia, India or Russia. Nor are they accurate as to gold quantities in countries that they purport to include in the count. For example, Pope Clement

possessed a staggering fortune as far back as 1334 that included 25 million gold florins. [xxii] Such sums of gold do not figure at all in the historical mining statistics provided by official sources, which are either uninformed about the true volume of gold available or, more likely, engaging in a disinformation campaign for nefarious reasons.

A Filipino newspaper, *The Inquirer*, featured an article published in 1998 entitled "Soldiers of Fortune" revealing that 96 members of the 16<sup>th</sup> Infantry Battalion had signed a joint affidavit declaring that, together with members of the 51<sup>st</sup> Engineering Brigade, they had -- between 1973 and 1985 -- recovered over 60,000 metric tonnes of gold from thirty out of 172 Japanese treasure sites. Both Army units operated in complete secrecy as part of "Task Force Restoration," which was headed by Marcos's closest henchman, Fabian Ver.

With these Vatican "bones" laid to temporary rest, we can now briefly return to the previously mentioned and instructive story of Florio Fiorini. During his enforced retreat at Champ Dollon, Fiorini set about writing a book revealing his knowledge of insider dealing and political corruption in Italy and elsewhere in Europe since the early 1970s. [xxiii] This included his revelations regarding the infamous "Protection Account" maintained by UBS Lugano, which was established for the specific purpose of bribing Italian (and other European) political parties and senior political figures. [xxiv] All those European banks and businesses that were heavily engaged in political corruption had devised a method of generating the large amount of slush funds required, without harming their own balance sheets. This, Fiorini said, was a "very simple, bomb-proof system which made the central banks pay..."

This bomb-proof system was in operation from 1967 until 1981 and revolved around the foreign exchange market that Fiorini describes as a "rigged roulette wheel," and involved seven major European transnationals. [xxv] [xxvi] These were nicknamed the "Band of Seven" and were "the terror of the central banks." The Band of Seven included, according to Fiorini, "myself from ENI; Sexauer of the Deutsche Bank; Semadeni of the Swiss Bank Corporation; Voroscilov of the Russian Vanhestorgbank; Roger Fiss of Citibank; Cadario of Renault Finance [and] Pellegrini of the Union Bank of Switzerland. [xxvii]

Working in harmony -- often using inside information -- and in great secrecy, the Band of Seven was able to manufacture large profits by manipulating the various national foreign exchange rates. This was possible because the exchange rates were "fixed" -- a situation that allows large speculative forays by an insider group who know the central banks will intervene to support and stabilise that rate. In effect, this is equivalent to the central banks placing money in a large container and handing it over to the seven players. [xxviii]

The unalterable consequence of these covert manipulations is that the taxpayers in those countries, forced to defend their currencies, actually provide the money that is used to suborn and corrupt their own political leaders. [xxix] Fiorini admits the amounts garnered in this manner were "moderate," a mere \$15k a day, or \$300k per month, to "feed the starving of the parties," but adds that these were dollars of the "seventies," and worth "four times today's value."

Of more than passing interest in these matters is Dr. Alfred Hartmann, who had run the Banque de Commerce et de Placement (BCP), Geneva, for many years. As Fiorini explains in his story, the large sums of money earned by the Band of Seven's market rigging activities were laundered through the BCP. Hartmann was also the Vice Chairman and General Manager of Rothschilds Bank A.G. [xxx] and the vice president of



the CIA connected Inter Maritime Bank. [xxxi] The BCP is also said to have played a part in the Iran-Contra affair.

This cannot come as any great surprise, for Hartmann was known as a long-term CIA asset. His contact or "controller" was none other than Edwin Wilson, the CIA operative who we earlier learned specialised in gay and paedophile blackmail stings against political targets presumably those politicians who couldn't be bought as a consequence of the Band of Seven's market manipulations. He is also known to have specialised in creating financial "fronts" for the CIA. Dr. Hartmann, meanwhile, would later become a senior executive in BCCI, the bank that provided a full service to drug lords, gun-runners, terrorists, gangsters and the US and European intelligence community. BCCI also had the dubious distinction of corrupting members of both Houses of Parliament (and Congress) at a time when "brown-envelope" payments of cash of the Al Fayed variety had yet to hit media headlines. [xxxii]

### Footnotes

[i] Seagrave, Sterling, *The Marcos Dynasty* (London: MacMillan, 1988) at 139. Seagrave additionally reveals on page 306 that a Japanese treasure map for the "Teresa II" site totalled 777 billion yen in 1944 values. At that time the exchange rate was about 3.50 yen to the dollar. For those who wish to calculate weights and prices it is as well to know that the world price of gold was set at \$35.00 per ounce and that there are 32,150 ounces to each metric tonne.

[ii] Ibid at 316.

[iii] Following the discovery of the "suicided" Frank Nugan and the subsequent failure of the Nugan Hand Bank, the CIA moved its Marcos gold laundering activities to Nugan Hand's successor, the Hawaii-based Bishop, Baldwin, Rewald, Dillingham and Wong (BBRDW). Many of the former Nugan Hand key executives and consultants moved en bloc to BBRDW, although Ronald Rewald -- a long time CIA asset with the code name "Winterdog" -- was selected to be the head man. This was due to Rewald's gilt-edged connections through sport, principally polo. Included in the list of dignitaries Rewald had access to were the Sultan of Brunei, one of the wealthiest men in the world. See, Seagrave and also Rodney Stich, *Defrauding America*, generally, for background on Nugan Hand and BBRDW.

[iv] Manning, Paul, *Martin Bormann-Nazi in Exile* (Lyle Stuart Inc, 1981) at 292.

[v] A list of participants is available in Robert Eringer's short but excellent book *The Global Manipulators* (Pentacle Books, 1980) at 45.

[vi] See, Seagrave, Sterling, *The Marcos Dynasty* at 340.

[vii] Ibid at 345.

[viii] Ibid at 375.

[ix] Stephenson, William, *A Man Called Intrepid* (London: MacMillan, 1976) at 352-7.

[x] Extracted from Peter Dale Scott's unpublished (and unnamed) book-length manuscript on Nazi gold and Operation Sunrise.

[xi] Seagrave at 118.

[xii] Ibid.

[xiii] This individual adds: "The fear that America had over China's crossing the border in Korea was that China would invade Formosa and the Philippines, leading to a nuclear war."

[xiv] Sampson, Anthony, *The Arms Bazaar* (Coronet Books, 1977) at 135.

[xv] Ibid at 263-279.

[xvi] Sayer, Ian, and Botting, Douglas, *Nazi Gold* (London: Mainstream Publishing, 1998).

[xvii] Hougan, Jim, *Secret Agenda* as related in *The Franklin Cover-up: Child Abuse, Satanism, and Murder in Nebraska*, John DeCamp (Nebraska: AWT, Incorporated, 1992) at 179.

[xviii] Ibid.

[xix] The CIA operation directed at corrupting members of Congress and other public figures and opinion makers was called "Operation George Orwell." This operation achieved nation-wide scope on 4 July 1980.

[xx] These and many other papers given me by Peter Johnston are stored in a secure location.

[xxi] Confidential documents in my possession.

[xxii] Patton, Guy and Macness, Robin, *Web of Gold* (Boston: Sigwick & Jackson, 2000) at 248.

[xxiii] The ENI/Fiorini story is extracted from a translated copy of *L'Espresso*, 21 March 1993.

[xxiv] Prior to 1975, the slush funds gathered in this manner were stashed at the Banque de Commerce et de Placement, Geneva, 70% owned by ENI and later sold to UBS. By 1979, BCP had been sold to BCCI.

[xxv] In ENI's case, the influence on the foreign exchange market was enormous because it possessed 25% of the US dollars then circulating in Italy -- "it paid 50% of the National Power Bill." This provided ENI with immense financial clout.

[xxvi] Interestingly, Fiorini says the "system" became operative again, for a short while, in 1992. His reference, obviously, was Britain's "Black Wednesday," which resulted in the



resignation of the Chancellor of the Exchequer, and a cost of £10 billion and more to defend sterling against predators -- one of whom was hedge fund guru, George Soros.

[xxvii] The number "seven" in this connection appears to be a very rich vein. For example, according to an article in *McClure's Magazine*, August 1911, entitled "The Seven Men," John Moody had this to say:

"Seven men in Wall Street now control a great share of the fundamental industry and resources of the United States. Three of the seven men, J.P. Morgan, James J. Hill, and George F. Baker, head of the First National Bank of New York belong to the so-called Morgan group; four of them, John D. and William Rockefeller, James Stillman, head of the National City Bank, and Jacob H. Schiff of the private banking firm of Kuhn, Loeb Company, to the so-called Standard Oil City Bank group. The central machine of capital extends its control over the United States...The process is not only economically logical; it is now practically automatic."

Besides this, it is a fact that it is a convention that many of the data provided by the U.S. Office of the Comptroller of the Currency focus only on the seven largest US banks. As at the third quarter 1998, these were: Chase Manhattan, Morgan, Citibank, Nations Bank, Bankers Trust, Bank of America and First National Bank of Chicago. Make of this what you will.

[xxviii] Fiorini reveals that the central banks were aware of this game, but since it "did sometimes happen from time to time that we gave the [central] banks a hand," the band of seven was "tolerated."

[xxix] Manipulations were not just focused on the FOREX market. Another "wheeze" was the bullion market, which was dominated in Switzerland by the Russian Vanhestorgbank. In this case, Veroshilov would provide advance warning that he was going to (for example) place 100 thousand ounces of gold on the market. This information enabled the group to sell gold short first thing in the morning and then buy it back at noon, netting a healthy profit along the way.

[xxx] Rothschild Bank AG has a long history of criminal relationships and suspect transactions. It was, for example, the bank chosen by Conservative Central Office to stash the £200 million or so received from grateful arms manufacturers during the Iran-Iraq War. This created a dilemma for the Tory Party. The funds could not be repatriated to the UK, because they were illegal. The interest earned on them, however, could be brought back to the UK. This interest totalled approximately £20 million a year and comprised the vast bulk of Tory Party funding during the late eighties and early nineties.

[xxxi] Hartmann was also Chairman of Banca Nazionale del Lavoro (BNL), Zurich and worked for the infamous Bank of Credit and Commerce International.

[xxxii] Allegedly included in those well-known persons appearing at BCCI's Leadenhall Street headquarters for handouts and favours were Lord Callaghan (good for, allegedly, £25,000 cash – transferred by brown paper envelope), David Steel and Jeffrey Archer, according to a former BCCI's cashier.

## PART 2.3

### THE BLACK PRINCE

As we can see, the Central Intelligence Agency appeared able to break every known law up to and including committing assassinations, without fear of exposure or criminal charges. This was helped enormously by a well guarded memorandum of agreement between the CIA and the Justice Department that allowed the CIA to police itself and, in effect, enabled it to turn a blind eye to any and all criminal activities carried out on the part of its employees -- making the CIA above the law. Curiously, this memorandum was dated 18 February 1954 [i] -- and was the direct predecessor of the now infamous Memorandum of Understanding between the CIA and the Justice Department signed during the Reagan Administration. The later "MOU" has come to be known as a charter for cocaine cartel operators and other drug traffickers during the 1980s and amounts to a de facto "get out of jail" card. It is interesting to note that the original 1954 agreement occurred on Allen Dulles's watch as DCI (Director of Central Intelligence). Allen Dulles was appointed as Director of Central Intelligence in 1953 at about the same time his brother, John Foster, was appointed Secretary of State. Between them the Dulles boys grabbed hold of US foreign policy and shaped it in their own corrupt image. We shall return to the dastardly duo shortly and focus on their long and close association with the Schroder banking group. Importantly, the Schroder and Wagg families agreed to combine their interests in the formation of the City-based merchant bank, J. Henry Schroder Wagg & Co. -- in an agreement enacted in, yes, 1954.

Another odd ingredient forms part of this peculiar story. Wackenhut Corporation, the international security firm that is known to have very close connection to the US military and intelligence community, "had its beginnings in 1954," according to early Wackenhut literature sent to prospective clients. [ii] Wackenhut has been linked to the Inslaw software debacle as well as the Danny Casolaro story. Casolaro, a freelance journalist, was "suicided" on the brink of learning vital information in regard to the so-called "Octopus." "Octopus" is the term used to refer to a deeply secretive and loose association of military, intelligence and organised crime professionals who line their own pockets in the name of state secrecy. Wackenhut also has long been involved in arms development and trading -- one of the two essential ingredients of the "guns 'n dope" barter brigade that has littered the twentieth century with dozens of high intensity conflicts fuelled by the dope trade.

The year 1954 was of significance for another reason, too. US projections forecast that by 1954 the Soviet Union would also have a tenable thermonuclear capability and that US military power must grow sufficiently by then in order to "provide reasonable assurance that the free world could survive an initial surprise atomic attack of the weight which it is estimated the USSR will be capable of delivering by 1954 and still permit the free world to go on to the eventual attainment of its objectives." Cold War strategists had, back in 1950, written the coldest of Cold War documents: National Security Council Directive 68 (NSC 68). Fearing, or at least presenting the fear of, Soviet world domination, NSC 68 argued for "A Rapid Build-up of Political, Economic, and Military Strength in the Free World." This was to be achieved by all necessary means, it seems, for, although admitting that, "the United States now possesses the greatest military potential of any single nation in the world," the cold warriors were concerned that the Soviet Union possessed "greater numerical forces" than the US. This was not to be tolerated.



Instead, a “military shield” was to be provided that had the effect of mercilessly strapping the US taxpayer to the grindstone of weapons development – and, as a natural by-product, huge corporate profits for arms manufacturers -- for the next fifty years. NSC 68 argued persuasively that this could be achieved in the time honoured way by a “reduction of Federal expenditures for purposes other than defense and foreign assistance, if necessary by the deferment of certain desirable programs” and “increased taxes.” It seems probable that another hitherto unstated objective was the bribery of unaligned nations by means of gold certificates.

Another event of great significance took place in 1954. That year, President Eisenhower commissioned General James Doolittle to conduct a study of CIA covert operations. General Doolittle concluded the CIA was often ineffective against the KGB and that the CIA “must learn to subvert, sabotage and destroy its enemies by more clever, more sophisticated and more effective methods than those used against it.” It is likely that bribery and corruption formed a part of Doolittle’s “more clever, more sophisticated and more effective methods...” [iii]

These measures included a willingness to modify behaviour and, where feasible, manipulate minds. It was in 1954 that Morse Allen, the CIA’s first behavioural research kingpin, began what are now regarded as deeply concerning experiments in hypnosis designed to create an unthinking, robotic assassin known as the “Manchurian Candidate.” These experiments developed and widened under the secret CIA mind control programme MKULTRA – a series of studies way ahead of their time that date back to 1953 and included, as far back as 1965, studies concerned with gene-splitting and gene manipulation.

Nor can this re-telling of events be complete without brief mention of the fastidious audit of US gold reserves conducted at Fort Knox in utmost secrecy in 1954. This is curious, as meticulous audits of gold reserves on the 1954 scale are uncommon. Each of the almost three quarters of a million 400-ounce bars was counted and weighed. Moreover, every hundredth bar was bored and a small quantity of gold removed and assayed to determine purity. Extraordinarily, the gold “plugs” removed from the bars were sent to assay offices throughout the United States to ensure that no single individual could learn how detailed the audit was.

To this day, no one knows why this comprehensive inventory was conducted in such secrecy. Is it possible that someone in the Eisenhower Administration learned of the gold hoards on the Philippines and figured that Fort Knox had been plundered and its gold replaced with ersatz bullion while the real gold had been shipped to the Philippines and buried? Did someone conclude that General Douglas MacArthur and his mentor, former President Herbert Hoover, might have been behind such a crooked scheme? We now know that both MacArthur and Hoover had huge quantities of gold valued in excess of \$100 million stashed in hidden bank accounts set up by the CIA’s Santa Romana. [iv]

Meanwhile, the following lists some of the more significant events of 1954, but does not include the US Internal Revenue Code of that year, only because I have been unable to study that code in any detail. By any measure, however, 1954 is proving to be a spectacular year for historians:

- \* Secret Treaty signed that concerns vast amounts of gold stashed in the Philippines. The treaty remains virtually impenetrable - although it is rumoured to involve bribery of national leaders of non-aligned nations attending the Bandung conference in 1955.
- \* Marcos learns that Yamashita's gold is real in November 1953 and begins digging in 1954.
- \* London gold market opens for the first time since 1939.
- \* First Bilderberg meeting, chaired by Prince Bernhard.
- \* Fred Meuser, Lockheed's European Director, transfers to Geneva to live, work and play and bribe Bilderberg Chairman, Prince Bernhard.
- \* Germany joins NATO.
- \* German External Debt Treaty agreed to (Bormann funds flood back to the fatherland).
- \* SEATO Treaty signed in Manila.
- \* Four Power Treaty is signed in Paris to terminate the occupation regime in Germany.
- \* Geneva Accord regarding peace between France and Indochina.
- \* US signs Mutual Defence Pact with Korea.
- \* Ed Lansdale travels to Manila, Saigon and Djakarta.
- \* Ten - year - old Gunther Russbacher emigrates to the US to later take up a career in ONI and CIA -- along, he says, with many other Austrian nationals. They all become US citizens. Forty years later, Russbacher peddles gold recovered from the Philippines to the Austrian central bank.
- \* Moscow agrees to withdraw from Austria and allow democratic elections.
- \* The Israeli Mossad and US CIA found an intelligence "partnership."
- \* US enacts the Atomic Energy Act of 1954.
- \* German industrialists (principally Krupp) begin campaign in US Senate to recover assets seized by Allies at the end of WWII. John Foster Dulles supports the campaign.
- \* Swiss bankers discuss question of Nazi gold and "heirless assets" -- those plundered from Jews in the concentration camps.
- \* Schroder and Wagg families combine their interests via the 1954 registered company Schroder Successors Ltd., to become J. Henry Schroder Wagg



merchant bankers.

- \* Rothschilds' holding in Rio Tinto Company sold back to Spanish government.
- \* US gold audit at Fort Knox.

And 1955 events I have compiled so far:

- \* Bilderberg's second annual meeting includes discussions of the Bandung Meeting (second item on the agenda)
- \* Bandung Meeting.
- \* NSC 68 target date for US superiority.

Meanwhile, one of the more intriguing pieces of information regarding the Dulles brothers is their interest in the Council on Foreign Relations, an elite group of policy makers that sprang out of the 1919 Paris Peace Conference. The CFR was formed as the sister organisation of the British Royal Institute of International Affairs (RIIA), which was founded by those closely associated with the aims of the Rhodes-Milner group. Moreover, according to Peter Grose in his all-too-flattering biography of Allen Dulles, *Gentleman Spy*, Dulles travelled to Europe in 1947, where he "... paused in London for meetings with Alan Toynbee and took a leisurely side trip to Oxford 'at its loveliest' for mellow conversations in the common room of All Souls, where matters of import could be considered over port and cigars." [v]

The name Arnold Toynbee, naturally raises interest, for he was one of that small and close band of disciples of John Ruskin at Oxford that included Cecil Rhodes, Lord Alfred Milner and others who became principal architects of the Rhodes-Milner group that sat at the very heart of the RIIA-CFR, Anglo-American relationship. Peter Grose also references what is portrayed as an almost chance encounter between Dulles and Arnold Toynbee (the nephew of the Toynbee the older) on board a Pan American Clipper "Flying Boat" in 1942. This was during Dulles's extended journey to Switzerland for the purpose of taking up residence as the senior OSS man. Toynbee, in addition to his Oxford connections, was also a member of Britain's secret intelligence service. This is of some consequence, particularly when we recall Dr. Damanik's earlier mention that the Secret Treaty was closely connected to "Rhodes scholars."

There may also well be some connections to the 1954 report of the Reece Committee. The Special Congressional Committee under Chairman B. Carroll Reece (Tennessee) had been charged in 1953 with investigating tax-exempt foundations. Establishment historian, Carroll Quigley, in his book *Tragedy & Hope* – which provided the first clear factual insight into the Rhodes-Milner group – states of the Reece Committee that: "it soon became clear that people of immense wealth would be unhappy if the investigation went too far and that the 'most respected' newspapers in the country, closely allied with these men of wealth, would not get excited enough about any revelations to make the publicity worthwhile, in terms of votes or campaign contributions." [vi] What Quigley was describing was self-censorship by the US media to protect the interests of their patrons. In any event, one cannot help but muse whether the seven trusts mentioned by Dr. Damanik as being vehicles for the Secret Treaty gold bullion certificates were, in some manner, connected to one or more of those tax-exempt foundations investigated by

Congressman Reece and his committee. Once again, a study of the Internal Revenue Code of 1954 is called for when time permits.

Joseph Retinger, one of the architects of the Atlantic-Europe movement that sewed together the elites of America and Europe, was also the principal founding member of the Bilderberg group. According to Retinger, John Foster Dulles, "was among those in America who helped us most." [vii] Another founding member of the Bilderberg was Sir Colin Gubbins, who headed Britain's wartime SOE, which was the model for the OSS, which in turn was the predecessor of the CIA. There were others from the intelligence community who involved themselves with Bilderberg from the very beginning. For example, Walter Beedel Smith, Eisenhower's Chief of Staff during World War II -- and later Director of the then newly formed Central Intelligence Agency -- became one of two US co-chairman.

Crucial to the underlying Anglo-American structure of Bilderberg was the Continental European contingent of which German participants formed the greater part. Not least, Prince Bernhard of the Netherlands was the first Chairman of Bilderberg. In an earlier incarnation, the Prince worked for I.G. Farben's notorious intelligence department "NW7," which became the Third Reich's private eyes and ears during World War II. In his Farben role, Bernhard worked under Frank Fahle, who later was appointed as Lockheed's agent in West Germany. The connections continue. John Foster Dulles, as senior partner in the law firm Sullivan & Cromwell, personally represented I. G. Farben's American company, General Aniline and Film Corporation, prior to World War II. His allegiance to his clients in obfuscating German ownership of GAF earned Foster a reprimand from a state prosecutor as a "scoundrel who should be disbarred."

Of some interest too, is the fact that Prince Bernhard is associated with the Knights Templar through the Dutch variant of the Order of St. John (the Johanniter Orde, Nederland), of which he is the head with the title "Landcommandeur." The Prince governs the Dutch order along with a chapter of eight other knights. The Prince was appointed to his position in 1954. The involvement of secret societies as a covert anti-Communist force throughout the Cold War is dealt with in more detail in an article I have written titled "Holy Smoke & Mirrors," which appears in an Appendix to this Dossier.

The rebuke aimed at John Foster Dulles mentioned above in no way thwarted the ambitions of the crusty statesman. By 1954, as Secretary of State, he dropped any pretence of impartiality and testified (in opposition to the Justice Department's position) in favour of a bill designed to return vested enemy assets (of which GAF was one, for example) to their former owners. This bill, introduced by Senator Dirksen, was intended to contravene the 1945 Reparations Agreement.

### Footnotes

[i] Central Intelligence Agency Inspector General REPORT OF INVESTIGATION INTO ALLEGATIONS OF CONNECTIONS BETWEEN CIA AND THE CONTRAS IN COCAINE TRAFFICKING TO THE UNITED STATES Volume II -- The Contra Story, dated October 8, 1998. The report stated: "For over 20 years, CIA had broad discretion to report or not report information that came to its attention regarding potential violations of federal law by its employees, assets and other persons. According to a 1954 memorandum from CIA General Counsel Lawrence Houston to the DCI, Houston discussed the issue of reporting Federal criminal violations to the Department of Justice (DoJ) with Deputy Attorney General William P. Rogers on February 18, 1954. According



to that memorandum, Rogers and Houston agreed that CIA would be responsible for determining whether a potential violation of criminal law by persons associated with CIA would be referred to DoJ for prosecution."

[ii] Noted in Carol Marshall's excellent but thus far unpublished manuscript *The Last Circle*, at 15. a condensed version is available on the Internet at the Lycaenum Book Archives at [www.lycaenum.org/books/books/last\\_circle/](http://www.lycaenum.org/books/books/last_circle/).

[iii] Burton Hersh, *Old Boys* (New York: Scribners, 1992) at 355.

[iv] See Sterling Seagrave *The Yamato Dynasty* (London: Bantam Press, 1999) at 293.

[v] Peter Grose, *Gentleman Spy, the Life of Allen Dulles* (Amherst: University of Massachusetts Press, 1994) at 270.

[vi] Carroll Quigley, *Tragedy & Hope*, (California: GSG Associates, reprint of original London: MacMillan, 1966 imprint) at 955.

[vii] Holly Sklar, *Trilateralism* (Montreal: Black Rose Books, 1980) at 162.

## PART 2.4

### THE BORMANN-PERON-KRUPP-MARCOS CONNECTION

The maneuvering in the US Senate to draw a blade across the war reparations agreement was unnecessary for some of the better-connected German industrialists. Alfried Krupp, widely regarded as a "super-Nazi" for financing Hitler and Himmler (and because he utilised slave labour and plundered occupied territories) was personally "pardoned" from a pending war crimes trial by John McCloy – High Commissioner in Germany. Not only that, but McCloy, a former director of the Ford Foundation, rescinded a property confiscation order that would have stripped the Baron of his enormous holdings, thereby bringing to a close his status as one of the world's wealthiest individuals.

In the post-war years, one of the more colourful Nazi characters employed by Krupp was Otto ("Scarface") Skorzeny – dubbed Hitler's "favourite commando." In addition to being the head of the post-war SS escape network, Die Spinne (The Spider), Skorzeny was also an operative for the CIA. Krupp favoured the burly SS officer especially because of his valiant achievements in transferring Krupp's wealth -- and that of other industrialists, plus gold and other loot plundered by the Nazis -- to banks in neutral nations shortly before the collapse of the Third Reich. Skorzeny had other powerful friends also. Allen Dulles is said to have personally involved himself in the 1953 decision by Reinhard Gehlen nominating Skorzeny as the chief military adviser to the Egyptian regime of General Mohammed Naguib.

Also intriguing is the close connection between Baron Krupp and Reichsleiter Martin Bormann, who escaped post-war Germany via the Vatican ratlines to Argentina after languishing for a few years in Italy.

Ladislav Farago in his book *Aftermath – Martin Bormann and the Fourth Reich*, reveals

that Dr. Gustav Krupp von Bohlen und Halbach approached Bormann in August 1942 intent on passing his vast fortune – which was increasing under the Third Reich – via a “fideicommission” to a single heir, thus keeping the Krupp empire intact. The alternative was to see the amassed fortune divided many ways, which would have inevitably led to the disintegration of the house of Krupp.

The problem was that the existing law interfered with his desire. He told Bormann that he wished the firm to pass on to his eldest son, Alfried, regarded as a “devout Nazi and SS man.” [i] In exchange for Hitler’s agreeing to modify the law to permit Krupp’s request, Bormann extracted an agreement whereby Krupp assigned a portion of his vast assets, in secret, to the Nazi Party under Bormann’s control. Consequently, a new law was passed on 12 November 1943 permitting a “Lex Krupp.” Pleased with the agreement, Hitler lavished profitable contracts on him, making Krupphaus the “most prosperous cog in the industrial war-machine.”

One of the assets assigned was a massive ranch in Argentina that was later used by Bormann as a favoured bolt-hole. Ever a realist, Bormann understood that the defeat at Stalingrad spelled the end of the Third Reich. Consequently, he began shipping plunder regularly, by U-boat, to Argentina throughout 1942 and 1944 under a plan known as “Aktion Fuerland” – Operation Land of Fire, so named because of the archipelago, Tierra del Fuego, Argentina’s southernmost “Land of Fire.” These transfers, totalling around 1,800 shipments, was to be used to “help the rebuilding of the Nazi empire,” according to Rudolph Freude, one of Bormann’s trustees and a close confidant of Eva Duarte – later to become Eva Peron.

Evita Peron was, in fact, part of the Freude syndicate handling the vast stash of Nazi loot that was regularly being shipped to Argentina for deposit in four banks chosen by Freude. These banks were the Banco Aleman, the Banco Aleman Transatlantico, the Banco Germanico and the Banco Tornquist. In each case the gold, silver, gemstones and other treasure were deposited to accounts in the same name – that of Senorita Eva Duarte. Four individuals implicitly trusted by Bormann had joint control over all the deposits – a procedure designed to ensure that personal greed was checked before it could take root.

The principal reason for Bormann’s sojourn in Italy, forcing his delay in travelling to Argentina to safety, was that Juan Domingo Peron, under the guidance of greedy Evita, wished to acquire some of Bormann’s hoard in exchange for allowing Bormann entry and providing him state security once he had arrived. Practical as ever, Bormann agreed to hand over a portion of the assets he controlled. He eventually arrived in Buenos Aires in the Spring of 1948 to begin his new life.

It is, therefore, of considerable interest to learn that in the summer of 1947 – when negotiations between Bormann and Juan Peron were in full flow – Evita chose to make a “good-will” trip to Europe, travelling to Lisbon, Madrid, Geneva, Paris, Zurich, Lucerne and Rome, where, according to Ladislav Farago, negotiations with Bormann were finally steered. [ii] She also visited a less well known Spanish city – Avila -- that lies to the west of Madrid.

Why she visited Avila is not known – at least by me. But there is an intriguing possibility mentioning. The Appendices at the end of this Dossier reveal a vast fortune in gold, gemstones and currency left as an inheritance by Sr. Don Franco Miguel de Avila



and Sra. Dona Trinidad Asis de Villarba de Avila of Spain. The heirs of this vast estate were Francorito MC de Avila and Lolita Trinidad V. de Avila of Manila, Philippines.

Of interest, Dona de Avila shared the same middle name "Trinidad" as Imelda Marcos's mother – Remedios Trinidad Romualdez, known to intimates as "Medy." Whether this is happenstance or indicates that the heirs of this fortune are related to Imelda Marcos, I do not know. I do know that both Marcos's preferred to use close confidantes and family as "cut-outs" whenever possible.

The so-called "Melmer" hoard of gold and other blood money gathered by the SS at the death camps included 550,000 ounces of gold. [iii] This is a quite specific amount of gold that converted totals just over 17 tonnes. It is, therefore, of more than passing interest to note that I have in my possession an ownership certificate dated 2 June 1980 in the name of Dra. Rosario Romualdez Ramo. Romualdez is, of course, the family name of Imelda Marcos. The certificate is too faded to reproduce, but it bears the account number 881-161426 together with the transaction code number RRR/51981-26. You will, by now, have gathered that it represents ownership of 17 tonnes of gold.

The Peron connection to Bormann gold provides yet another twist. In early 1973 – the year Peron returned to power in Argentina -- 400 tonnes of gold belonging to Peron was put on sale in the black market. Worth £700 million, it almost equalled the entirety of the Bank of England's official gold reserves. In any event, the sale of Peron's 400 tonnes of gold was code-named "Bormann 1345," creating a suspicion that it might have originated as one of Bormann's 1,800 odd "shipments" of loot to Argentina (a figure mentioned by both Tom Bower and Ladislav Farago) In any event, the Spanish government was tutor for this bullion and was required to sanction the sale that was being offered by a Chilean businessman living in Madrid. The transfer agent was, according to author, Robert Hutchison, Professor Vincenzo de Nardo – described as an "Inspector-General with the Italian Finance Ministry," who stated that his involvement was private but conceded that the transactions was of a "political nature." [iv]

Peron, it will be recalled, was an intimate of Licio Gelli, the grandmaster of the notorious P2 Masonic Lodge that has been described as a right-wing parallel government in waiting [see description of P2 Masonic Lodge below]. Gelli answered to the Vatican Chamberlain, Umberto Ortolani – a member of the inner council of the Knights of Malta. [v] Juan Peron, who visited Rome in 1973, was accompanied on his return to Argentina by Licio Gelli, who was appointed honorary Argentine Consul in Florence a few months later. Less than a year after Peron's successful re-election, Escriva de Balanguer, the legendary founder of Opus Dei, visited Argentina, said to be home to one of Opus Dei's most successful operations in South America.

Throughout his long sojourn in South America, Bormann generally felt safe from being identified and, indeed, safe from capture. His life revolved around administering the ever growing mass of Nazi funds that long ago had been artfully invested. However, in November 1972, London's *Daily Express* newspaper broke a series of articles showing that Bormann had escaped retribution and was living in South America. Bormann was, in fact, living in some comfort in a huge hacienda in Chile when the story broke, causing a worldwide sensation.

News of the *Daily Express*'s Bormann "expose" quickly reached Captain Hans von Gerstein in Argentina. Gerstein was a close confidant of Bormann and more than the fear that his master might become a target of Israeli revenge or kidnapping, Gerstein's concern was for the vast financial empire that Bormann still personally controlled and

which was spread throughout 750 corporations located around the world.

With Bormann's consent, a conference was held Santiago, Chile beginning 22 December 1972 and lasting until Christmas Eve. The meeting was carefully monitored and kept under 24-hour human and electronic surveillance by Chile's secret police special bureau. Finally, after two days of intense meetings, control over Bormann's assets moved into the hands of Captain von Gerstein. According to author Paul Manning in his book *Martin Bormann – Nazi in Exile*, Bormann's assets are now administered by a "leadership group of twenty" younger men who oversee investment strategy in the form a board of directors, chaired by Bormann.

Among the institutions that have benefited from the Bormann's gold-hoarding efforts is Deutsche Bank, which, just prior to the collapse of the Third Reich, entrusted the Reichsleiter with its secret reserves to preserve them intact. [vi] Manning notes that other major conglomerates that have reason to thank Bormann for his care of Nazi wealth include Bayer AG, BASF and Hoechst. The explosion of growth and profitability of these and numerous other corporations resulted from the huge flow of investment funds that "poured in from the interlocking companies established in safe haven countries by Martin Bormann and Hermann Schmitz." [vii]

One additional interesting fact was Bormann's return from Chile – where he had fled following the downfall of Juan Peron in 1955 -- back to Buenos Aires in 1966 and 1967. His visits were timed to coincide with meetings of a shadowy group committed to building a reinvigorated worldwide movement of Third World nations patterned on the Third Reich. This was to be the successor to Hitler's New Order with a focus on a coalition of anti-communist right-wing forces. One of the aims of the secretive group was "the seizure of total power in Argentina" together with a plan leading to the "ideological conquest of Latin America." These aims were to be pressed forward in "collaboration" with the "chiefs of national Socialism in Germany and the hierarchy of the Roman Catholic Church." [viii]

This "hierarchy" within the Roman Catholic Church would almost certainly have reached as high as Monsignor Giovanni Montini, who was Vatican's Undersecretary of State throughout the war years and shortly after. Montini, of course, would become Pope Paul VI. In their book *The Secret War against the Jews*, authors John Loftus and Mark Aarons say that some evidence exists that Montini became a "source" for the CIA after World War II. [ix] Likewise, the Sicilian born banker, Michele Sindona, who knew Montini and who worked closely with Roberto Calvi, the disgraced Milanese banker who brought down Italy's largest private bank, Banco Ambrosiano.

It was Montini who headed the Vatican-run "Ratlines" engaged in smuggling wanted war criminals, members of the SS and other Nazis on the run to safety in Latin America, the Middle East and elsewhere. Meanwhile, the shadowy anti-communist group that wished to induct Bormann into its circle as a notional figurehead to aid it with the task of "building a reinvigorated world-wide movement of Third World nations patterned on the Third Reich," was the World Anti-Communist League (WACL) that was chaired by US CIA operative, John Singlaub. He entered our story earlier as a leading member of the Philippine gold-hunting Nippon Star group.

It is hardly surprising that another member of Singlaub's WACL was Kodama Yoshio, who also earlier featured in this story. Another, of course, was Ferdinand Marcos, who attended WACL meetings throughout his 20-year reign as dictator of the plunder-rich Philippines. It is interesting to note that America's tax authority, the IRS, granted the US arm of WACL tax-exempt status following serious pressure from Ronald Reagan's White House. Singlaub and others would later leave their mark on public history due to their



involvement in the Iran-Contra Affair that was given birth by Lt. Col. Oliver North's so-called "Enterprise."

Interestingly, Kodama was one of those who, in 1954, founded the Asian Peoples Anti-Communist League. Kodama, along with his Yakuza compatriot and war-criminal cellmate, Ryoichi Sasakawa, ruled Japan with an iron fist artfully concealed in the gloved hand of political puppets. Sasakawa, in particular, boasted of a close, personal friendship with Ferdinand Marcos "long before he became president." Author Sterling Seagrave believes their friendship arose during "the Quirino presidency at the end of the 1940's when Marcos and other Quirino lieutenants were busy trying to discover" where Japanese plunder had been buried in the Philippines. Sasakawa was also deeply involved with the CIA, especially during the CIA sponsored anti-Sukarno campaign of the of the 1950's when he was in charge of supplying "materials to the anti-Sukarno camp." [x]

Other founding members of the APACL included the former Chinese warlord and patron of the feared Shanghai underworld Green Gang, Chiang Kai Shek and Korea's Park Chung Hee - whose claim to fame was to establish the Korean Central Intelligence Agency modelled on America's CIA. Another founding member was the Reverend Sun Myung Moon of the Unification Church [Moonies] -- a CIA tool if ever there was one. Meanwhile, one-time war criminal and Yakuza boss Ryoichi Sasakawa (together with Kodama) virtually ruled Japan from behind the scenes.

If there was one thing that connected the individual members of this odd group, it was their shared fascist beliefs and backgrounds that resulted in another common denominator -- all became immensely wealthy.

Meanwhile, the stated objective of Hitler's New Order / Vatican- backed coalition group mentioned earlier was simple -- "A New World" based on Nazi ideals. The group had major bases in Portugal, Spain, Italy, Belgium, Libya, Algeria, Egypt, Iraq, Jordan, Iran, Taiwan, Japan, Argentina, Paraguay, Bolivia, Peru and Venezuela, according to a report passed to Coordinacion Federal -- Argentina's secret service. This report additionally stated that funding for the organisation was provided from "hidden treasure of the Third Reich on deposit in Spain, Portugal, Italy, Paris, Monaco, Lucerne and Zurich," as well as from a US\$500 million sum available through "Group Peron" and other revenue "derived from dividends paid by Mercedes-Benz of Stuttgart" on investments placed there by this so-called "Sacred Movement." It was a case of Nazi loot used to fund the European anti-communist movement and Japanese loot funding the Asian Anti-Communist League.

Bormann's role in the Fourth Reich group was little more than as an honorific figurehead. His induction into the "Sacred Movement" was scheduled for a meeting in Buenos Aires in the form of an "initiation" ceremony along Masonic lines. It is almost certain that this group was also an appendage of the secretive Italian Masonic Lodge, Propaganda Due (P2) that is known to have had deep and powerful connections in Latin America -- especially Argentina. In any event, the Masonic "ceremony" proved a fiasco, with Bormann storming out in impatience. [xi]

It is of more than passing interest to learn that Singlaub's Nippon Star venture also had ultra right-wing motives in its search for World War II plunder. According to Bob Curtis, who had earlier worked with Ferdinand Marcos following his development of a technique that would alter the metallurgical finger-print of gold (obviously of immense use to Marcos, who had recovered tens of thousands of tonnes of war plunder), Singlaub and others involved with Nippon Star had an ultra right-wing agenda.

Curtis, who had earlier escaped Marcos's clutches fearing for his life, fled with detailed



photographs of all 172 maps made by the Japanese Golden Lily. These showed where each hoard of plunder had been buried and how much each trove was worth. Years later he was given the bulk of Ferdinand Marcos's personal archives by Marcos's mistress. These, Curtis said, totalled over 60,000 documents. Because of his possession of the Golden Lily treasure maps and his earlier involvement with Marcos, Curtis was invited to become involved with Singlaub and other members of Nippon Star in their recovery venture.

Curtis travelled to Hong Kong, where he was briefed over a three-day period by the CIA. Included in these briefing were details of a very sensitive transaction between Marcos and Manuel Noriega that involved gold for drugs. [xii] Not least, Curtis speaks of a number of transactions that involved Madame Pineda – who was an intermediary for Imelda Marcos (and who regularly features in Peter Johnston's correspondence in my keeping). On Pineda, Curtis had this to say: "When I learn how to scan and attach files, I'll send you some goodies on Pineda, which is mind boggling. It involves the son of an ex-US president." [xiii] This may well be a reference to George W. Bush, who is rumoured by other sources to be involved in black market gold deals.

Not least, Curtis told me that he held many details of Krupp deals other than the one I was already privy to and added that the "Krupp involvement is deeper than you think. Several transactions were for a *trillion* dollars" [my emphasis]. [xiv] Curtis also revealed that: "The China Mandate is a real earth shaker. 200,000 metric tons, negotiated with Nixon and Mao. The purpose: to keep China out of any Asian expansion for 50 years. The fear that America had over China's crossing the border in Korea was that China would invade Formosa and the Philippines, leading to a nuclear war. This document could get you killed, so could the Trilateral document that I referred to earlier." [xv]

Curtis also had some notes written by hand by Edward Lansdale who he says typifies an "early player and mover" and who was also involved in the China deal. The Trilateral Commission reference, Curtis told me, regards a letter (in the possession of Curtis) that was sent to President Marcos on Trilateral notepaper – on the authority of Dr. Henry Kissinger – demanding that Marcos sell "63, 321 tons of gold to 2000 US and European banks admittedly controlled by the Trilateral." This letter was dated 21 February 1986. Curtis adds that the last sentence of the 12 page letter states: "Release the 62,321 metric tons of gold now, while you are in a solid possession and right and you alone can do it and alone can claim immortal glory as the greatest man in Asia."

According to Curtis, it was Marcos's refusal that led to his loss of power three days later. The gold that Marcos refused to sell – in exchange for US Treasury certificates and some cash -- was eventually shipped to the US aboard the US nuclear-powered aircraft carrier "President Eisenhower," having been later "released" by Imelda Marcos, who was avoiding pursuit for criminal charges when she fled the Philippines with her husband. Curtis notes that President Reagan wanted the gold for the "Rainbow Dollars" that had already been printed and that Reagan planned to back with gold. What is interesting here is a news article that appeared in the Philippine *Enquirer* where 96 members of the 51<sup>st</sup> Army Engineering Brigade operating in total secrecy under President Marcos state in an affidavit that they recovered 60,000 tons of gold during the Marcos years. This article is reproduced in the Appendices. Not least Curtis states that other players involved in Marcos gold over the years have included the Club of Rome and also the Tavistock Institute. [xvi]

Curtis's claims will undoubtedly be seen by some as too conspiratorial and extravagant to be worth taking seriously. However, it is as well to know that Curtis has passed muster with a number of investigative journalists and authors, including, among others,



columnist Jack Anderson and Sterling Seagrave.

This was all very interesting to me simply because in addition to his activities with the Secret Treaty gold certificate negotiations, Peter Johnston was also involved with Imelda Marcos on other bullion transactions. One of these involved a vast transfer of money authorised by the last remaining heir of the Krupp family fortune, Baron Arndt Krupp von Bohlen & Halbach. Dated 4 November 1985, a letter issued on the Baron's private letterhead – and bearing his signature – authorised Krupphausen attorney Carl Letermeyer to effect payment to Clem. T. Santiago of Manila, Philippines of the equivalent of "one percent (1%) from profits of Krupphausen in 1980 up to 1985 now on deposit at Volksbank Willislav AG, Switzerland." See the "Krupp Letter" in the Appendices.

However, complication beset the transaction, not least the death of Baron Krupp. As late as January 1988, Carl Letermeyer wrote to Clem T. Santiago at the Krupp Heritage & World Peace Foundation in Singapore enclosing a summary of figures covering the five-year period stated in the Baron's November 1985 authorisation. The sums involved are almost unbelievable, and for this reason I recommend a careful study of Sterling Seagrave's 1999 book *The Yamato Dynasty* (Bantam Press) – especially the footnotes on pages 354/5. In any event, the transfer sum due to Santiago at the Krupp Foundation – and representing 1% of profits over a five-year period -- totalled US\$112 billion. [xvii]

Seagrave's intriguing and well researched book reveals the true story of the origin of Marcos gold that resulted from immense Japanese plunder throughout Southeast Asia World War II. The bulk of it – totalling 172 treasure troves – was buried on and around the Philippine islands prior to the war's end. One site referenced by Seagrave, and audited by Japanese accountants, contained a staggering Yen 777 billion. The dollar-yen exchange rate was almost four yen to the dollar, giving an equivalent in 1945 US currency of \$194 billion. Nor can it be argued that Seagrave is exaggerating. Documents in my own possession amply confirm what he says. The foregoing facts corroborate Seagrave's thesis that numerous wealthy individuals possessing right-wing sympathies aided and abetted the OSS/CIA by laundering plundered Japanese gold, gemstones and other booty. In fact, the OSS began recovering the loot from one Philippine 777 site commencing in 1945 and efforts have continued, more or less, up to the present.

Directly related to the foregoing are other equally interesting facts. Allen Dulles, together with former New York Governor Thomas Dewey, owned a large shareholding in Mary Carter Paint Company, a firm reputed to be a CIA front and owned by leading Mafia financier, Meyer Lansky. This company, later renamed Resorts International, caused a flurry of press interest when it was discovered it had made a 1968 contribution of \$100,000 to the Nixon presidential campaign fund in the form of thirty-three cheques for \$3,000 and one for \$1,000.

Richard Nixon was, of course, Vice President during the Eisenhower Administration, which spanned the years 1952-1960. In 1971, Nixon closed the gold window, thus removing gold as a backing for the US dollar. In time, the mobbed-up Resorts International would demonstrate links to Castle Bank in the Bahamas – a CIA front company founded by veteran OSS and CIA bagman, Paul Helliwell. Castle Bank would later, in turn, reveal close connections to Wall Street's junk bond investment bank, Drexel Burnham & Lambert – thus squaring the then- hazy but now- clear circle of associations among the CIA, the Mob, Wall Street and government.

Meanwhile, it is of additional interest to note that the Bahamas-based Paradise Island Bridge Company was principally owned by Swiss and German investors, including the

director of a BASF subsidiary company. BASF is, of course, the largest single successor firm of I.G. Farben. In any event, the company was highlighted throughout the Watergate years due to allegations that it had been laundering "skim money" (possibly from the joint Mob/ CIA- owned Paradise Island Casino or, perhaps, from World War II plunder recovered by the CIA?) for eventual payment to then President Nixon via his confidant, Bebe Rebozo. Allegations surrounding an amount of \$200,000 paid to Nixon's camp was made by an IRS informant. [xviii] Nixon and his top henchmen in the White House were so pro-Nazi that it began to sour relations with Israel.

Crime boss Meyer Lansky had a controlling interest in the Swiss -registered and -based International Credit Bank through his henchmen Tibor Rosenbaum and John Pullman. Customers of the bank included the State of Israel, the Rothschild family and, not least, Prince Bernhard of the Netherlands.

Bernhard was born a German prince who married a Dutch queen and became an honorary member of the SS before joining the intelligence arm of I. G. Farben -- which later became an indispensable spook asset of the Third Reich. When war broke out, Bernhard quit his German associations and joined the RAF, which, delighted to have this blue-blood aboard, gave him his own battle squadron. Post-war, he closely associated himself with both American and British intelligence and took bribes from American aircraft manufacturer Lockheed Corporation. This latter episode was during his chairmanship of the Bilderberg group -- forcing his resignation -- and at about the same time that he opened an account in Meyer Lansky's private Swiss bank for landed financiers, princes, Mafiosi and casino gentry. Few, surely, can list these manifold and genteel credits on their *vitae*. The words "for sale" and "highest bidder" inevitably spring to mind.

### Footnotes

[i] Ladislav Farago, *Aftermath* (New York : Simon & Schuster, 1974) at 222-5.

[ii] Ibid at 213.

[iii] Ibid at 203. This treasure also included 3,500 ounces of platinum, 4,638 carats in diamonds and others precious stones and an assortment of gold marks, pound sterling, dollars and Swiss francs.

[iv] Robert Hutchison, *Their Kingdom Come* (New York, St. Martin's Press, 1997) at 211.

[v] Ibid at 208.

[vi] See, Farago's *Aftermath*.

[vii] Paul Manning, -- *Martin Bormann -- Nazi in Exile* (Lyle Stuart Inc., 1981) at 282.

[viii] Farago at 395.

[ix] John Loftus and Mark Aarons at 83-84.

[x] See Seagraves.



[xi] Farago at 397.

[xii] Personal correspondence with this writer.

[xiii] Ibid.

[xiv] Personal correspondence with this writer.

[xv] Ibid.

[xvi] Personal correspondence with this writer. These claims have also proved impossible to corroborate thus far. However, I believe them to be worthy of inclusion with the understanding that they are unverified. I also think it worth noting that when researching his book, *Marcos Dynasty*, author Sterling Seagrave arranged for investigative reporter Don Goldberg, to spend a few days viewing thousands of Marcos documents in the possession of Curtis and concluded, based on Goldberg's reports, he was telling the truth.

[xvii] Copy of fax of original letter in this writer's possession.

[xviii] From an unpublished manuscript by Peter Dale Scott.

### **PART 3.1**

#### **THE SECRET TEAM**

If there was one single most significant event in connection with this story that took place in 1954, it was the creation of the 5412 Committee -- later known as the "Forty Committee" and more colloquially as "The Secret Team" -- under authorisation of National Security Council Directive NSC 5412/2 of 15 March 1954.

I note a curiosity in regard to "Operation 40," a secretive "wet ops" team formed in 1959 by then US Vice President Richard Nixon. Members of "Operation 40" are now believed to have been behind the assassination of John F. Kennedy. Another term for assassinations conducted by Operation 40 is "Room 222." In this case, however, the "hit" is carried out "against members of one's own team who are no longer useful or have become an embarrassment to the 'agency' or have or will become a security risk." This follows on from "Room 40," which was a term for assassinations conducted by the British during World War II. [i]

Whether or not there is any significance in the fact that that JFK was killed on the "22" of November 1963 remains to be seen. My own investigations over the last four years suggest to me that numbers and dates do possess a special "message sending" significance. Research I have collected on this front has yet to be collated but will form another "dossier" in the near future.

Meanwhile, the involvement of Nazis in the assassination of JFK has been spelled out by the indefatigable Mae Brussel in a lengthy essay published on 22 November 1983 in *The*

*Rebel* magazine. This insightful essay is available via Virginia McCullough, who has formed a detailed archive of Mae Brussel's important work, at [www.newsmakingnews.com](http://www.newsmakingnews.com).

On 18 November 1963, just four days before the assassination of President John F. Kennedy, the Argentine government issued a Special Order No. CF-S01365 O.J.P., which initiated the only period in Argentina's recent history when Nazi fugitives were in jeopardy. This resulted in the formation of special Nazi-hunting squads of Argentine secret police.

Until then and, in fact, also soon after this brief and curious interlude, any and all Nazis on the run – including the so called “Gran Fugitivos” (Grand Fugitives) like Bormann, Mengele, Gestapo Heinrich Muller and others -- were more protected in Argentina than in any other country in the world. Is it possible that the government of Argentina, because of its deep and abiding connections with Nazis, learned of the forthcoming “hit” on JFK? Could the curious and dramatic (but not long lasting) anti-Nazi action have been little more than a PR exercise to exonerate themselves in advance of their closeness to certain Nazis associated with the Kennedy death, which members knew would result in a major worldwide news story of unparalleled proportions?

One individual knowledgeable about group “forty” is L. Fletcher Prouty, who was Chief of Special Operations (*i.e.*, clandestine activities) for the US Joint Chiefs of Staff. His duties involved the military support of the clandestine activities of the CIA. Prouty was the real life representation of Mr. X, played by Donald Sutherland in Oliver Stone's movie *JFK*. Prouty resigned his commission following the assassination of President John Kennedy and later wrote an enormously powerful book titled *The Secret Team*, which sheds a tremendous amount of light on the secret activities of the CIA and Pentagon during the early years of the Cold War.

The 5412 Committee, which met in Room 40 at the CIA headquarters in Langley, Virginia, became the *de facto* parallel government of the United States, a fact that was later acknowledged by President Eisenhower in his speech regarding the dangers of the “military industrial complex.” At the heart of the US secret government lay a doctrine that was “driven by the twin goals of reinforcing the private interests that largely control the state and maintaining an international environment in which they can prosper.” [ii] The broader interests of the people are not permitted to enter the equation, which is reserved entirely for men of wealth and power. The Dulles brothers fit into this subterranean power complex with considerable ease.

Prouty says this of the 5412 Committee:

“As time passed and as the DCI [of the CIA] exploited his position, it might have seemed to be rather reasonable to suggest the establishment of a small special group to take this 'burden' from these senior officials and to provide men who could more readily attend to such matters, minor as they were, in the place of the busy Council principals. Thus the establishment of the first Special Group.

“As things progressed, the Special Group 5412/2 became not just the working group of the NSC but rather a select group that had assumed the responsibility for clandestine activity. Certainly, each designated Special Group member reported back to his principal but by that time it was not so much for direction as it was for



'informational approval;' in the language of bureaucracy this meant, 'if he doesn't say a clear NO, it's O.K.'"

"By that time in the course of events a new process had evolved and the DCI felt perfectly at liberty to prepare all the clandestine operations his intelligence sources would support and to present them to the Special Group for nothing more than approval. But even this was not enough. The next step was to have Agency-affiliated men in the Special Group itself, or at least to have them working with the Group as special advisers. This is why the President's appointee has always been so important to the DCI. Since the appointment of Maxwell Taylor in that position after the Bay of Pigs, the DCI has had men in that position whom he could count upon as a two-way conduit. When the DCI wanted to get information to the President he would use this man and when he wanted the President's approval on something, he would use him for that too. The same has been true with the representatives in State and Defense. During much of the crucial build-up years in Indochina, men such as Bill Bundy and Ed Lansdale have represented State and Defense on this committee. Of course, both of these men were CIA alumni and as a result the DCI could always count upon them to grease the way for any of his proposals to the NSC."

"This has been a significant evolution away from the language and the intent of the law. It has meant that the sole authority established as a final resort to oversee and control the CIA has become no more than a rubber stamp for all clandestine operations. And throughout all of this the ST [Secret Team] has been able to carry out its desires under a cloak of secrecy that has kept its moves shielded from the highest officials of this Government. For example, in those crucial early years of Vietnam, did McNamara and Rusk look upon Lansdale and Bill Bundy as Defense and State men under their command and control, or did they recognize them as CIA agents under the direction of the DCI? Or when the Special Assistant for Counterinsurgency and Special Activities from the Joint Staff was called to the White House, did President Kennedy and others look upon this man, General Krulak, as a member of the military establishment because he was wearing a uniform, or did they recognize him as a key spokesman for the interests and activities of the CIA?"

"This shift of command control over the Agency from under the direction of the NSC was undoubtedly as important a move as has occurred in any part of the Government since the passage of the National Security Act of 1947. It explains why the CIA has operated so free of effective and ironclad control during the past ten to twelve years. "

Fletcher Prouty also recounts in *The Secret Team* his personal encounters with then Major General Edward G. Lansdale, who became McNamara's special assistant for all matters involving the CIA and special operations. Earlier in his career, Lansdale had been a key operative for the 5412 Committee and, as I outlined earlier, possessed absolute knowledge of the vast quantities of gold bullion buried in the Philippine islands by the Japanese treasure teams known as the Golden Lily. Under Lansdale's direction, Severino Garcia Romano commenced recovery of gold bullion and other plundered loot beginning in 1945.

Whether the true facts regarding the Secret Treaty are ever released for historians to review remains questionable. My own view is that from a Cold War perspective there is little on this subject that requires ongoing secrecy. However, from a financial perspective there is much that demands obscurity. The staggering amounts of funds then and now available to the national security powers of the United States as a consequence of secretive Philippine plunder recovery efforts remains as sensitive as ever. Who actually has control of these sums? I doubt that the US government, per se, is in control of them, but believe rather that a network of private concerns holds the power.

Likewise, the full story of the nature of gold has yet to be told, and my guess is that it will remain hermetically sealed amongst the few for a very long time to come. Two things are certain, however. The historical official mining figures for gold are patently false and have been knowingly fabricated and thrust on an unsuspecting public. Second, and leading on from this, it is, therefore, evident that gold is not at all rare. Current statistics show above-ground stocks of the metal to total about 140,000 metric tonnes. The reality is far, far higher and, in all probability, is well in excess of one million tonnes. I doubt anyone really knows for certain, owing to the fact that so much is still buried in the Philippines and elsewhere in Southeast Asia that tallying it all up is impossible – even to this day.

A brief mention needs to be made of Carmel Offie, a State Department flunky and contemporary of the Dulles brothers, Frank Wisner and others intimately involved with the machinations of the Secret Team. Later believed to be a KGB “plant” by the FBI’s Edgar Hoover, [iii] Offie’s career began to follow a downward trajectory, but not before Hoover had raised serious questions concerning the source of his income. Employed on a mid-level government salary, Offie had dollars to burn around Washington.

The CIA’s first DCI, Beedel Smith, tried to placate Hoover by saying that Offie had received a “pay-off” of \$10,000 for taking the blame when several people in Paris had almost been caught abusing their diplomatic pouch privileges. Hoover added that one of those involved in the pouch affair might have been General Lucius Clay, formerly the Governor of the US Zone in post-war Germany and a member of the Board of Directors of Newmont Mining, one of the leading gold mining companies. [iv] According to Hoover, Offie was “either given or allowed to buy at a very favourable option price some stock in the Newmont holdings in North Africa, which gave a fabulous payoff...” thereby making Offie “semi-independent.” [v]

Is it possible that Newmont Mining might have acted with or on behalf of those members of the OSS/CIA/Secret Team engaged in recovering gold bullion from the Philippine treasure troves, by re-smelting (in effect, laundering) war loot? The connection between Newmont Mining and Philippine gold stores is, of course, very tenuous. However, this story is all about tenuous connections that become increasingly firmer as more facts emerge from the shadows.

That being so, another fact that has emerged from the shadows is the location of one of Newmont’s offices up country in Thailand at Chang Mai. This city sits slap in the middle of the Golden Triangle [vi][vi] opium region and was chosen by the CIA-Mafia owned and Australian domiciled Nugan Hand Bank for a branch office because of this proximity. In addition to laundering drug money on behalf of its owners, the CIA, Nugan Hand Bank is believed to have been heavily involved in the transfer of large quantities of so-called “Marcos” gold flown by CIA pilots from Clark AFB in the Philippines to the secret US Pine Gap facility located at Alice Springs, Australia. It is, therefore, of some interest that Michael Hand, the joint founder of Nugan Hand Bank, was at one time one of five aids to General Edward Lansdale. [vii]



Historically suspicious of paper money, Southeast Asian warlords -- amongst other Asian peoples -- have always preferred payment for goods and services in gold and silver. General Khun Sa, (but born Chiang Chi-Fu) was, as warlord of the Shan States of Burma, known as the "biggest heroin dealer in the world," [viii] because, as leader of the Shan States, he was in control of most of the Golden Triangle. A two-part feature article I wrote in 1997, titled "Deep Black" provides an insight to this subject.

The foregoing suggests the strong probability that plundered gold hidden in the Philippines by the Japanese Golden Lily teams later found its way to the Golden Triangle to be exchanged for opium, thanks to the efforts of the Nugan Hand Bank and the CIA. Such a gold laundering scenario would have made a great deal of sense, because sale of stores of this magnitude on the open market would have certainly forced the world price lower, thereby causing acute visibility. Exchanging gold in secrecy for Chinese heroin that would later be sold in Europe and the US at many thousands' percent profit over purchase cost can only have represented a most appealing financial strategy to those devoid of principles and ethics.

The Cold War was not so cold as it was profitable and profits increasingly became the name of the game. This process received a considerable fillip when President Richard Nixon disconnected gold from the US currency in 1971. Eliminating the gold standard would soon lead to the long-planned global hegemony of the Almighty Dollar, which unofficially became a narcotics-backed currency. Along the way, oil shocks would be witnessed, odd goings-on at the Department of Treasury would come to light and Wall Street investment banks would learn ever more ingenious ways to engineer ever greater profits at their whim. As usual, the taxpayer generally picked up the tab.

### Footnotes

[i] I am grateful to Mr. J.P. Viken, who provided this information.

[ii] Cited by Noam Chomsky in his book *Deterring Democracy* -- available free in electronic form on [www.ZNET.com](http://www.ZNET.com) (Chapter One: "Cold War Fact and Fancy").

[iii] See Hersh, Burton, *The Old Boys*, (New York: Scribners, 1992) at 448.

[iv] Clay was the predecessor of John McCloy and the man in charge when substantial quantities of nazi gold went missing from the Reichsbank vaults. For a detailed telling of the Nazi Gold Robbery, see, Sayer, Ian and Botting, Douglas, *Nazi Gold* (London: Mainstream Publishing, 1998).

[v] Hersh at 444-445.

[vi] This interesting tidbit provided courtesy of Kris Millegan.

[vii] Kwitny, Jonathan, *The Crimes of Patriots* (New York: Simon and Schuster, 1987) at 228.

### PART 3.2

## OPUS DEI

As often is the case, there is an interesting twist to the secret treaty story. In a newspaper article published in the Philippines on 29 October 1999, a former Roman Catholic priest and director of Caritas, Manila – the Catholic charity -- told the Manila based newspaper, *The Inquirer*, that he once served as “an adviser to the late President Ferdinand Marcos.” The Ex-priest, Marcelino Tagle, also stated he was an “administrator for the estate of another man,” whom he claimed was the source of the Marcos gold.

He went on to identify this person as “Fr. Jose Antonio Diaz,” and to say that Father Diaz was entrusted by the Vatican to take charge of Vatican gold buried on the Philippines. The “Vatican gold” was identified as bullion that had been “captured by Hitler” and that had belonged to the royal families of Europe and been placed under the trusteeship of the Vatican. Also included was gold plundered by the Japanese, Tagle claimed. A copy of a newspaper article exposing Sta. Romana’s Vatican connection is reproduced in the Appendix.

Tagle added that Fr. Diaz had “assumed several names when he moved to the Philippines.” One of these was “Col. Severino Sta. Romana.” Placing a value on the Sta. Romana gold as **\$50 trillion**, Tagle noted that Sta. Romana had “hired the young Marcos as his lawyer and trustee.” This is none other than Severino Garcia Sta. Romana, formerly of the OSS and CIA, who has been discussed earlier.

Giving evidence to the Philippine Senate Blue Ribbon Committee on 14 October 1999, Tagle noted that Marcos, in his capacity as lawyer and chief trustee of Sta. Romana, “succeeded in isolating the nominees or trustees of the gold certificates from the physical assets – so much so, that it is almost impossible to recover them without piecing the various pieces like a mosaic.” By abusing his position of trustee, Marcos effectively gained control of Sta. Romana’s gold and, later, when he had become President, used the “Central Bank to transact the gold.” [i]

The web of control that Tagle claims Marcos spun involved the appointment of a diverse group of additional trustees over the gold and other plunder. Today, these trustees are known as the “Umbrella.” According to a Bob Curtis, the Umbrella is mostly controlled by the Sicilian Mafia. Curtis had this to say about them: “Yes, the mafia name I gave is one of those I changed. But this mafia is not US related. The head is a Don in Sicily. I don't want to say more here. 60% of the umbrella are mafia.” [ii] Since Curtis is intimately aware of transactions with Madame Pineda and other members of the Marcos Umbrella one must conclude that he knows what he is speaking about.

Tagle’s testimony is certainly interesting and on the face of it fits many of the facts gathered to date. For example, it snugly explains why Ferdinand Marcos appears on the earliest, 1956, gold certificate held by Johnston. This was many years before Marcos became President but at a time when his influence as a senator was growing. During his 1949 campaign for election to the legislature, Marcos told supporters “Look, I have a lot of money because I got all my war benefits. If you want to receive all your benefits, vote for me.” [iii]

One of the more interesting possibilities is that Sta. Romana may have been -- in addition to his OSS/CIA position, and his status of a Catholic priest – operating on behalf of the ultra-right wing and fantastically wealthy Catholic secret society OPUS DEI, which was



founded in 1928 in Spain and was closely connected to Generalissimo Franco. There is very little known about this group, even today, except that members have been accused of complicity in the assassination of Pope John Paul I, who died in mysterious circumstances in September 1978. The strange death of the "Smiling Pope" was, by all accounts, connected to the sinister activities of the secretive Masonic Lodge "Propaganda Due" (P2) which was involved with Vatican banker, Roberto Calvi -- Chairman of Banco Ambrosiano. Calvi was also a close associate of Mafia financier Michele Sindona.

The history of Opus Dei is instructive. Opus Dei became a registered charitable trust, in London, in of all years, 1954, when it registered the Sacerdotal Society of the Holy Cross and Opus Dei Charitable Trust. It did not officially apply for tax-exempt status until 1965 by which point it had become a major player in the evolving Eurodollar market. As author Robert Hutchison points out in the introduction to his book *Their Kingdom Come*, the sight of an apparent highly religious and doctrinaire order "speculating in overnight francs and next weeks dollars" was sufficient to raise eyebrows and interest-- and indeed, the profile of Opus Dei -- in London City. One question that springs to mind is where did Opus Dei gain the wealth it appears to have possessed in sufficient quantity to elevate it to the ranks of a significant player in this market? It is doubtful that, at that point in time, it had control of the IOR -- the Vatican bank. Could it be that Opus Dei had access to some of the gold and other assets plundered in World War II?

The Spanish connection to the Marcos gold story is of interest because amongst Johnston's other bullion transactions with Imelda Marcos was one that related to a very large transaction that came from the estate of Don Franco Miguel de Avila and Dona Trinidad Asis de Villarba de Avila. It concerned gold, cash and gems "located in thirty three (33) countries and deposited in fifty seven (57) banks." This included bullion belonging to the estate of the late Pedro Palafox Laurel -- one of the former henchmen of Ferdinand Marcos who was reportedly murdered by Marcos. [iv] Laurel's assets in the form of "gold certificates, cash and ownership certificates of various properties" were stashed in a safety deposit box at the Overseas Trust Bank, Hong Kong, and formed part of Ferdinand Marcos's vast web of foreign holdings held by trusted nominees. [v] Interestingly, a portion of the Laurel estate was stashed in the LIPPO bank in Jakarta.

That Marcos operated as a cat's-paw for the Vatican -- as suggested earlier by Marcelino Tagle, is confirmed in documents relating to the estate of Don de Avila that reference 47,500 metric tonnes of gold belonging to the Vatican. [vi] This metal was held in Westpac, head office, Melbourne, under the codename *FLAT*. [vii]

What we haven't spoken of in any detail is the huge quantities of gold, platinum, gemstones and priceless religious treasures that are still stashed on Indonesia. This piece of information has been held back until last for a very telling reason. Earlier, I mentioned the 1955 meeting in the Indonesian town of Bandung, where the world's "non-aligned" nations met for the first time as a group. Virtually unknown to contemporary history is the suggestion that Indonesia's then President Achmed Sukarno along with a number of other Third World leaders had secretly planned to establish an international non-aligned bank, to be headquartered in Jakarta and backed by gold reserves recovered from World War II treasure stashed in Indonesia. [viii] This represented, apparently, trillions of dollars in gold reserves -- making the bank a serious force to be reckoned with and one, moreover, that undoubtedly was viewed as a grave threat to US interests. [ix]

We now know that Allen Dulles and company at the CIA began planning Sukarno's



downfall at this same time. For example, during the 1955 elections in Indonesia, a “million dollars US got converted to rupiahs to prop up the Moslem-oriented Masjuni party and give Sukarno competition.” [x]

By 1956, the Dulles brothers were fit to burst with Sukarno’s grandiose plans, and Frank Wisner – the CIA’s Deputy Director of Plans (for covert operations) -- typified the prevalent feeling when he said “I think it’s time we held Sukarno’s feet to the fire.” [xi] Holding Sukarno’s feet to the fire was, apparently, a droll euphemism for assassination. Despite this, the CIA’s early covert efforts against “Bungkarno” resembled the antics of a Keystone Cops re-enactment society more than anything else, but success was eventually achieved and Sukarno was deposed in 1965.

With him went the idea of an independent and alternative world bank answerable to the interests of those participating non-aligned nations that had no desire to continue to be exploited by Anglo-American interests. Today, the gold that was to be used as reserves for Sukarno’s bank remains stashed in various parts of Indonesia under armed guard.

Yet this is by no means the end of the story. Amongst the various certificates handed to Peter Johnston by the late Dr. Damanik was one headed “Obligation.” Immediately below this the words “Treasure Note” appear. It is dated 14 March 1981 on Barclays Bank International. As is normal, Karmal’s name is misspelled as *Babarak Kermel*, along with other apparently purposeful typographical errors (for example, one person’s Christian name “John” is spelled “Jhon” a mistake that seems to have been favoured by those who appear to have composed these errors). Also as usual, there is an IMF reference. The sum referenced is US\$500,000,000. Since there is a Swiss “deposit code” and named Swiss individuals, I imagine funds were deposited in Switzerland, possibly with one of Barclays’ private Swiss - domiciled banks. Two curious seals are repeatedly printed on the Treasure Note and accompanying papers. One is a seal of a crown above the word “BUCENGHAM” surrounded in a double circle bearing the words “Barclays Commercial Bank.” The other seal has an icon that is indescribable (but rather like a wine press or something similar) that is circled with the words “The Department of Treasure 1789.” One question is what “department of treasure” was around in 1789?

Nonplussed at this, I decided to discover what significant events, if any, took place in 1789. The most famous occurrence was the French Revolution. However, another event that transpired had more immediate relevance to this story. When I first looked the Barclays note over in detail, I thought it likely that the seal stating “The Department of Treasure 1789” was just another purposeful typographical error, but I was wrong. The Department of Treasure is an accurate historical rendering and style for what is now known as the U.S. Department of Treasury. Moreover, the date 1789 does indeed seem to have a reference to the US Treasury for the simple fact that in 1789, the 1<sup>st</sup> US Congress enacted a bill to establish the US Customs Service – the first ever Federal law enforcement agency. The latter has always been answerable to the US Treasury Department and back in 1789, when the US was an infant sovereign state, the only means of revenue (taxation had not yet been introduced) to that state was via excise and tariff duty collected by customs men. This income was passed on to the US Treasury.

The foregoing appears to indicate – if very loosely – that the Barclays Obligation Note is, in fact, a de facto obligation on the US Treasury Department that was issued through a major international bank as an “arms length” device for purposes of deniability. This is further supported by the words “International Deposit,” which appear immediately below the words “Treasure Note,” suggesting that funds have been deposited at Barclays, thus making them an intermediary and not the principal.

Another question that also needs to be asked is why the US Treasury (providing my



assumption of their primary responsibility for this Note is correct) parted with half a billion dollars to a Soviet puppet placed in power as a result of a Soviet military invasion of its "client" state, Afghanistan.

Not least, who or what is "BUCENGHAM?"

### Footnotes

[i] Tagle also said that the gold included "royal gold" that the British reportedly shipped to Singapore for safekeeping in the event that Hitler would conquer all of Europe. The story that British gold was secretly shipped to Singapore – rather than Canada-- for safety and was then captured by Japanese forces when they overran the island is often whispered. However, I have seen no reliable evidence (at least thus far) that this is true.

[ii] Personal correspondence with this writer.

[iii] Seagrave, Sterling, *The Marcos Dynasty* (London, MacMillan, 1988) at 133.

[iv] Ibid at 349.

[v] Confidential documents in my possession state that the safety deposit box was held in the name of *LEE KING KWOK* and included, in total, eleven gold certificates.

[vi] Documents in this writers possession from Peter Johnston's files.

[vii] *FLAT* is an acronym for "Francorita, Lolita, Avila, Trinidad."

[viii] This information comes from a new source who is providing some telling and significant information.

[ix] In fact, the level of interest generated can be judged by fact that the Bandung meeting was the second item on the agenda during the March 1955 Bilderberg conference.

[x] Hersh, Burton, *The Old Boys* (New York: Scribners, 1992) at 414-5.

[xi] Blum, William, *Killing Hope* (Monroe, Maine: Common Courage Press 1995) at 99.

## PART 4.1

### TINKER, LAWYER, TRAITOR, SPY

Allen Dulles, his brother, John Foster, and James Jesus Angleton are central to this story. The Dulles brothers were at the heart of a conspiracy dedicated to eradicating Communism and shifting the political spectrum of the world far to the right. This was part of a strategy designed to benefit the business interests of an elite group of iron-willed men who sat atop a network of transnational companies in the US, Japan and Europe.

This elite liked what Mussolini and Hitler were trying to do in Europe and were happy to finance both fascists in order to place them in the seats of power in Italy and Germany. These power brokers would later learn that the Austrian Corporal had a mind of his own and would not be content to be a mannequin for larger interests. The result was World War II.

Throughout the Second World War secret discussions took place between various factions in Germany and the US and Great Britain aimed at finding an acceptable formula that would bring peace to Western Europe and result in a coalition of the West that was militarily capable of defeating Stalin and the Soviet Union.

By 1942, with the defeat of the Third Reich in Stalingrad, it became clear to many of the more observant players that Germany would lose the war. As a consequence, secret discussions and peace-feelers increased in intensity. One of those who quickly formed the opinion that Germany would be defeated was Walter Schellenberg, chief of the SS Foreign Intelligence Service.

In spite of the horrendous crimes that the SS was guilty of, it was regarded by one Catholic archbishop as the "most respectable of the Nazi Party organisations."

Unarguably the SS was the very elite of the Third Reich and attracted an officer corps composed of the well-to-do, the well-connected and the blue-blooded of Germany. The latter included the Grand Duke of Mecklenburg, Prince Wilhelm of Hesse and the Prince von Hohenzollern -- and in an honorary role, the Prince of Lippe-Biesterfeld, who is better known to the world as Prince Bernhard of the Netherlands.

Most members of this elite inner circle of the SS were against Hitler and were content to engage in an on-going series of secret peace talks with a hard core of extreme right-wing groups in the US and UK aimed at deposing Hitler in favour of Himmler -- who, despite his humble origins, possessed real power and who made the right diplomatic noises about maintaining a relationship with the Vatican. Underlying these peace discussions was a joint understanding that a war should be prosecuted by Germany and the West against Russia to defeat Communism.

The man chosen by Walter Schellenberg to oversee these negotiations was Prince Max von Hohenlohe, who, as early as 1942, approached Sir Samuel Hoare -- a member of a right-leaning British group under Lord Halifax. Getting no results, Schellenberg instructed Hohenlohe to open a channel with the US. In January 1943, Hohenlohe met with Allen Dulles in Geneva.

For the remainder of the war, Dulles maintained intimate connections with the SS despite orders from the President to cease and desist. For Dulles, business came well ahead of loyalty to one's country. The result of these early contacts, as we have earlier seen, was Operation Sunrise and the absorption of large contingents of the SS and Gestapo into the US anti-communist cause.

According to whispers circulating in the black gold market, the Dulles brothers, James Jesus Angleton and others associated with the story of World War II plunder did not object to acquiring a personal share of the loot. How true this rumour is is not known, but Sterling Seagrave in his book *The Yamato Dynasty* reveals that former US President Herbert Hoover and General Douglas MacArthur each had large gold bullion accounts valued in the tens of millions of dollars.

## DEEPER SECRETS

What the foregoing shows is that there is, and has been for many decades, a conspiracy of silence relating to the actual -- as opposed to official -- quantity of mined gold in the



world. Words fail to convey the global significance of this purposely concealed disparity. In fact, the difference between official figures and reality represents a gulf so wide and a secret so dark as to be nearly unbelievable. But the facts are now evident.

Speaking openly of this particular aspect of the story is not without some perceived dangers, and I do so with reservations that are tempered only by the knowledge that, in the last analysis, the truth should be told. Although this statement may seem fanciful I can assure readers that others who are also in the know share this concern and I am not alone in taking measures to protect and duplicate my files.

No one who earns a living from the world of gold or who trades or holds the noble metal as an asset – including most governments, central banks, the intelligence community, heads of state, narcotics cartels, organised crime clans and, of course, the all powerful gold banks -- wish “their” market and this “secret” to be disturbed by reality. For too long these and other forces have perpetrated a myth designed to penalise the many while enriching the few – very much a direct consequence of the final dismantling of the Bretton Woods Agreement by the Nazi- and Mafia- associated President, Richard Nixon, in 1971.

Readers of this Dossier will see for themselves from the papers of the late Baron Krupp that are provided in the Appendices that the richest man in the world certainly is not Microsoft’s Bill Gates, who is a real latecomer so far as the wealth stakes are concerned. The figures shown by Carl Letermeyer, Baron Krupp’s attorney, reveal that the House of Krupp earned income during the early mid Eighties that, on average, was greater than \$2 **trillion** a year. Whether these prodigious sums belonged entirely to Krupp, or whether, instead, the Krupp Foundation was used to launder huge quantities of loot, remains uncertain. Rumours and whispers point in the latter direction and may point to a conspiracy that has a distasteful hard right-wing smell to it.

We now know that just one Golden Lily “777” treasure site was worth almost \$200 billion in 1945 US dollars. We also know that there were dozens of triple seven sites, plus some triple nines and, of course, tens of dozens of smaller troves. In fact, Japan’s Golden Lily teams stashed plunder in a minimum of 172 burial sites on the Philippines alone. [i]

A reliable estimate is that the value of gold at these 172 sites collectively totalled \$100 trillion in 1945 US dollars – a figure that simply dwarfs the present day global debt. This sum is so massive as to be virtually incomprehensible -- yet it probably does not include the complete figures, as we shall see.

Others who have investigated this story sensibly avoid mentioning such figures, knowing that the perceptions of the uninformed -- and, perhaps even of experts -- will be that they are preposterous--and that this perception may tend to create an undesirable attitude that will discount the rest of their work. There are other fears besides these, too.

Meanwhile, we need note that a very considerable quantity of Japanese plunder was also buried throughout Indonesia and there is evidence to suppose that there were other sites in Korea, too. The Philippines, although the largest site for buried treasure, was by no means the only one.

A feeling for what we are dealing with took place some months ago between me and a knowledgeable individual in these matters who, for convenience's sake, I will call "Tom." This individual contacted me some months ago seeking to exchange information in the hope of clarifying a number of questions he had regarding a corpus of information he had been made privy to over a number of years. Significantly, he was cognizant of Peter Johnston’s story and knew of his arrest and troubles. He also knew about some of

the people and firms Johnston was in contact with at the time of his arrest. It seemed clear he had followed the case at the time – and remembered it.

Tom told me he had been involved in what he termed “international business” for the past 25 years, during which time he had become familiar with transactions involving black market gold and other precious metals. He said that this was not his principal business, adding that he found most of the approaches made to him about gold little more than irritations.

Tom went on to reveal that a few years ago he became personally involved with the story of “Sukarno’s Treasure,” and a large cache of gold hidden in the jungles of Indonesia. In the early 1990s, a long-time friend and business partner of his met a Filipino gentleman (whose identity I am aware of), who was a retired lawyer now living in the United States. This gentleman was an intimate of Bung Sukarno, who appointed him the principal trustee of Sukarno's fabled gold hoard -- the so called “Revolutionary Fund.” This person was also intimately knowledgeable about President Marcos's own dealings in black gold and, as Tom relayed it to me, *“he has doc's and significant knowledge re Marcos dealings, deposits in various banks & the relationship and dealings between Marcos & Sukarno.”*

Tom then added: *“For whatever reasons, after the death of Sukarno control over this evidently personal fortune was turned over not to his immediate family heirs, but rather to the safe keeping of a group of individuals called ‘gurus.’ These gurus had been instructed by Sukarno, in writing I understand, to contact [the trustee] & to look to him for leadership with regard to how and what when it came to the stashed cache of valuables. The issue of how & why [the trustee] gained what ever authority and control he has over all this stuff that's hidden in the jungles of Indonesia, and also the issue of whether his authority has any larger legitimacy is probably important. But this doesn't belie the fact that apparently he does have at least some significant degree of control over it; i.e. he knows how to get to it, he's the recognized connection to & for the people physically holding it, and he has authority as ‘mandated trustee’ over it in writing from Sukarno (I've seen the document).”*

Tom continues: *“Over the past few years I've also seen and been able to peruse many thousands of pages of apparently original aging bank documents and statements pertaining to the personal assets and fortune, of the late Sukarno. According to the master document I've seen these assets, precious metals & also cash totalled 270 T. US in 1964, and are supposedly on deposit with UBS, SBC and various other major world banks. I say supposedly because evidently they are but they aren't; but this is another story.”*

The apparently paradoxical statement that “...they are but they aren't,” will be clarified shortly from other sources. Much of this had a very familiar ring to it and I felt it likely that he was discussing many of the same certificates of deposit that Dr. Damanik had access to.

Tom continued his story: *“Also about five years ago several Americans I've worked with, known and trusted to the very highest degree for more than twenty-five years now, travelled to Indonesia with [the trustee]. While there they were taken to several repositories, in the jungle mountains of Irian Jaya and some other places in the Indonesian islands, (at each location after several days trekking through the jungles where they were allowed freely and at their leisure to view and inspect all that was there and anything and everything they wanted to see, handle or kick-the-tires off). In these repositories was and still is a very very large volume of valuables - Art objects; Gems;*



*Jewelry; and a extremely large volume of precious metals. To quote my friend, I have never seen anything like this in my life. There was stack upon stack and row upon row, of beautifully made UBS origin precious metal storage boxes, all containing 1KG J.M. Hallmarked Gold or Platinum bars, each bar with a unique number and certificate [i.e., one kilogram bars bearing the Johnson Mathey hallmark]. There were some large jade carvings, gems, etc. etc. It was like the Arabian Nights. At this time, along with stacks of files and doc's (several large suit cases full) pertaining to the Sukarno metal deposits in UBS, several bars were brought back to the US and are presently in a safety-box here."*

Significantly, Sukarno's trustee agreed to allow a selection of bars drawn at random from the cache to enable them to be drilled and analysed to verify their purity and metal content (a bar number and description was provided to me for verification purposes). Also, a number of UBS and SBC documents that were also provided during the same trip later were able to be verified genuine.

As interesting and, indeed, as important as this information was, there was a still more significant surprise awaiting me. According to Tom, Sukarno's trustee explained that all this gold and other plunder was originally intended: "...to be the reserve for a third world non-aligned nations bank that Sukarno was going to set up with HQ in Indonesia." In one stroke much of the smoke and mirrors that had surrounded Dr. Damanik's own reticent explanations to Peter Johnson were clarified.

Sukarno's plan to found a non-aligned world bank is of the greatest historical significance. The establishment of such a powerful entity possessing gold reserves that dwarfed those available to the West would have sent shivers of fear down the backs of Western governments and the European and US banking fraternity, which just a few years earlier had concluded the Bretton Woods Agreement, resulting in the establishment of the World Bank and the International Monetary Fund. Both institutions remain the primary vehicles for keeping Third World nations impoverished -- a fact that benefits a wealthy West dedicated to a social structure dependent on consumerism.

It is more than likely that this plan for a non-aligned nations' world bank formed the substantive backdrop to the 1955 Bandung conference of non-aligned nations that so clearly caused concern for the Bilderberg group in 1955 -- and which Dr. Damanik darkly referenced in his discussions with Peter Johnston. Founding such a bank would certainly have galvanized the intelligence community into action and may very well amount to the real motive -- and hitherto an even deeper secret -- behind the CIA's decision, commencing 1955, to corral and then overthrow President Sukarno.

Tom observed: *"I can understand no one wanting to upset the apple cart with regard to the current status of metal in the bank, legal or not, that may or may not have legitimately belonged to a dead third world leader. In fact I've been told very rudely by one banker that the banks who issued the deposit certificates in question do not and never did have anything to do with them ... the heirs of Sukarno have no right to any of these deposits ... and they are currently being controlled and operated by 'legally appointed names,' but these individuals have nothing to do with anything Indonesian."*

This state of the affairs neatly dovetails with the facts regarding Peter Johnston's and Dr. Damanik's gold certificates. If Sukarno (and Marcos et al) did not control the gold -- and since it was stolen during World War II by the Golden Lily, clearly they didn't -- who does control it and why does such a fortune remain undisturbed in the jungles of Indonesia?

This cache of Sukarno gold was, Tom said: *"stashed, left, & has been just held in secret for a long time, at the very least since the 1960s. Also evidently there hasn't been any*



*attempt to launder it, sell any of it off or do much else with it - the only thing I've heard, but don't have anything other than [the trustee] story to substantiate, is that a few years ago a son of one of the people charged with guarding some of this treasure made a deal to sell 200 tonnes of the AU to some Hong Kong people, he spirited it away to Singapore and later ended up dead in a hotel there. Also evidently the only thing anyone seems to have tried to do is something with the CDs relating to metal deposits in Swiss banks, all without result so far as I know."*

Suspicious deaths of individuals involved in trying to move, sell or launder black gold are fairly common and, naturally, lead to great care and caution amongst those who try to recover and move hoards of treasure from their burial sites. This caution usually extends to the practice of not discussing details of such transactions with anyone other than intimates. Again, the reference to failed attempts to sell gold certificates backed by this gold parallels Peter Johnston's own experience.

Having digested the information received from Tom, I posed a number of subsequent questions to him. He replied saying: "Yes, when I said 270 T I meant US\$ 270 Trillion. This is the 'Value' figure indicated on the top of a UBS 'Master' document [the trustee] has. As it's on their letter head evidently it was put together by UBS. This document is a very long listing of account or certificate ID#s, on a page about 3+ feet square. One can match ID numbers of individual certificates against numbers found on this list. Also some numbers have indications that these have been loaned to or are/were being used by someone (NASA funding, UK Crown are only a few I remember). I assume these certificates and their periodic statements, the related warehouse receipts and this master document refer only to the Au & PT being held by UBS in storage. Also I assume these don't concern the hoard of Au, Pt, art & gems that's still hidden in the jungles."

"To give you an idea of what's involved. There are: - Bank certificates indicating Au and Pt on deposit with UBS; thousands of tons total! - Yearly Statements regarding many of these accounts sent out by the banks concerned to three designated world locations (most recent of these I've seen personally are dated 1994). Most of these are hundreds of pages each. - Vault Keys & Depositor I.D. cards made of gold, Warehouse receipts, all related to these UBS accounts and vaults. - Bank CDs related to cash, issued by banks such as Credit Suisse, SBC, HKSB, Bank of Tokyo. - Accounts in several other major and minor world banks. - A Power of Trusteeship Document granted to [the trustee] which I understand gives him authority to govern and administer certain aspects if not all of this estate (And which I also understand IS on file with the Swiss government and several Swiss banking institutions). - Finally, the 'Master List' above mentioned."

"Although we have all these documents indicating metal & also cash on deposit with UBS and other banks, many thousands of pages, never the less, I am told several puzzling & seemingly contradictory things by a banker who to me clearly appears to have some inside knowledge re these matters: 1.) That UBS, Credit Suisse and SBC 'Do not and never did have anything to do with these deposits'. This, even though all these documents are on the letterheads of UBS, Cr Swiss, SBC, etc., and even though these banks have sent and continue to send out yearly statements regarding these deposits. 2.) That 'These accounts are currently operative, not dormant; and the people who run them do so with the proper authority'. However, 'NO heir of Sukarno or Marcos has any right to govern any of these accounts and deposits ... or has any authority whatever over these accounts. Those are not their own ... private family ... accounts, to be bequeathed to family or designated heirs'. This, although Sukarno's name, signature and picture, as well as that of some of his family members, are on these certificates and accounts (also Marcos on some others I gather). 3. Also related to Marcos, 'These accounts are being properly



*administered by the appointed "names". The Credit Suisse "cash" account alone is now over \$3 billion, spread over 200 accounts (for Marcos personal share only, of course)'. And, 'Why doesn't anyone ask Imee and her husband about the Deutsche Bank deposits in his name? Why is he completely uninterested in recovering any assets?' 4.) Finally, although I'm told 'The truth o all this is much simpler than the elaborate speculations which have allowed brokers of all sorts to cheerfully attempt to screw each other'. At the same time I am rather rudely instructed 'not to delve deeply into matters that can earn you more knowledge than you should be reasonably comfortable having.'"*

*In a later exchange, Tom revealed that Sukarno's trustee told him that: "UBS tried to bribe him in 1992, this was when he went to Switzerland to talk to UBS and present his credentials and position statement. I don't remember exactly but I think they offered him \$100 million cash & 100 tons of Au to go away and forget about it. Also, I believe there were at least 2 others who [the trustee] had given original certificates to present to UBS who were bribed; one lady somehow connected with the World Bank, and another man somehow connected to the then mayor of Paris. Then there's the incident of the SBC \$25 million FCM note #4507 B.L."*

*"About 4+ years ago we met with some retired US treasury dept. people. Among the many things [the trustee] has they chose a \$25 million FCM (or FMC ?) note to work with. As I understand this is a US dollar Swiss treasury note of some kind issued by SBC. This note has reached maturity and I believe it's now worth in the neighborhood of \$80 million. The note is in the name of one of Sukarno's former wives named Harteeni (sp?). [The trustee] has the documentation to show that she has signed it over to him, thus if there were any doubt Harteeni is still living so conceivably she could confirm this."*

*"To try to make a long story short. When these retired treasury people presented a copy of this note to UBS NY requesting arrangements be made for payment on it to [the trustee], law officers of some kind were called in, the copy of the note was confiscated and they were charged by the bank with presenting a false document. A court date was set, and far from being distraught I can tell you that [the trustee] and the retired treasury people were very happy, because now this was going to be a beginning in bringing up the matter of all of Sukarno's deposits, [the trustee's] trusteeship, etc. etc. However when they went to court neither the UBS NY lady lawyer who had brought the charge, [lawyer's name withheld], nor anyone else from UBS showed up to pursue or press the charge. Finally I can tell you that at the present time one of the retired treasury people has filed a written complaint with his US Senator, complaining that his rights were violated by what happened. The Senator has begun his own investigation of the matter, feeling that someone's trying to cover up something & also maybe he can get the democrats on this. However I've heard the Senator's preliminary investigation has run into a lot of roadblocks and hasn't gotten very far. "*

I have cited Tom's story at some length, not only because it fills in many gaps in Peter Johnston's own story, but also because it is highly revealing in its own right. Tom sought answers to the many questions he had about the foregoing, not least the curious involvement of the numerous international banks involved, not as principals, but as representatives for others. As we shall see, it is almost certainly the case that these "others" are a group of nations who were party to a secret agreement to exert control over plundered World War II gold and other assets and to ensure these did not enter the banking system or otherwise be utilised without such nations' approval.

## Footnotes

[i] See Seagrave, Sterling, *The Yamato Dynasty* (London: Bantam Press, 1999) for a more detailed background on the nature, size and quantity of Golden Lily plunder sites in the Philippines.

## PART 4.2

### DEFROCKING THE SECRET TREATY

Exciting as Tom's revelations were, I still needed to make sense of the underlying structure that appeared to govern this mountain of gold still hidden in Southeast Asia.

The answer to this enigma appears to reside in a secret meeting held in 1972 in which 48 nations (or representatives from 48 nations) participated that formalised an earlier informal agreement (dare I say a "Secret Treaty?") to control and "use" the metal plundered during World War II. By all accounts, bullion banks, central banks, and also refineries have since joined in this arrangement and have formed an unofficial "club" to police and control the black gold that they henceforward designated as being on "vacation." This appears to imply that gold plundered during World War II, whether it is kept in bank vaults beneath Zurich Airport or concealed in burial sites in the Philippines or Indonesia makes little real difference to those who are pulling the strings. In any event this ratification remains "unofficial."

The secret 1972 meeting occurred just one year after President Nixon closed the gold window and one year before the Trilateral Commission was founded -- an event that resulted in the integration of Japan into the Western fold. As we have seen from previous pages, a number of reports indicate that the Trilateral Commission is a large mover and shaker in the world of black gold.

According to information I have received, almost all of the gold plundered by Japan's Golden Lily came from official state reserves (see images on this page) and thus the exact amounts plundered were obviously known and clearly hallmarked -- one reason Ferdinand Marcos hired Bob Curtis to alter the metal's "fingerprint" of the gold Marcos had recovered and Marcos insisted that "his" metal should not be offered for sale on any of the world's seven official bullion markets.

Yet one has to ask why these gold reserves -- which have been known about by senior officials and bankers in the US and in Europe, at least since 1945 -- have been allowed to remain *in situ* rather than being returned to the dozen or so Southeast Asian nations to which they rightfully belong. In keeping the existence of this plunder a secret and not permitting its integration in the official global banking and financial system appears, on the face of it, to be little more than a contravention of international law, somewhat akin to piracy, doesn't it?

But that is not all. Those individuals and groups that today are legitimately working to privately recover (under existing laws governing "treasure troves") gold and other treasure stashed in the Philippines and elsewhere by the Golden Lily cannot dispose of



the assets they have recovered without going through the banking system; apart, that is, from comparatively small deals that occasionally take place between private parties.

Moreover, it has been suggested by one knowledgeable source that the money earned by private treasure hunters who are directed through this labyrinth is a fraction of the current value of the metal they recover -- a fact that is corroborated by Sukarno's trustee. The powers that be have decreed that the found metal is nevertheless not theirs to dispose of as they please -- despite the fact that they have legally recovered it and legitimately own it. Instead it "belongs" to an unofficial and immensely powerful "club" the members of which rigorously control distribution for their own ends -- whatever they may be. Clearly, this is a case of the arrogance of might and muscle stamping international law to a pulp.

It also seems that a mechanism is in place governing the movement of this metal. The gold and platinum that are permitted to enter the banking system are indirectly and unobtrusively "vectored" through cut-outs until they reach -- so I am informed -- an arm's-length associate firm of the Union Bank of Switzerland. This firm, in turn, is said to operate on behalf of an un-named American entity that is believed to be the Federal Reserve. This arrangement and line of access exactly parallels the transactional guidelines given to Peter Johnston by Dr. Damanik.

When I say "enter the banking system," this does not necessarily mean physical movement. Indeed, as we have seen with the Sukarno revelations, large quantities of bullion remain immobile in the jungles of Indonesia. A great deal also remains untouched and still buried in the Philippines.

Physical accessibility is not necessary or, perhaps, even desirable for the powers that be. If the gold cannot be moved except with their express permission, it is for all intents and purposes little different from bullion that is locked and guarded in a bank vault -- where change of ownership is customarily effected by book transfer and/or the exchange of paper certificates denoting ownership.

We have also seen from some accounts that this metal can be utilised -- perhaps hypothecated -- as an asset to generate funding for a variety of purposes, including, it appears, America's NASA projects and certain projects on behalf of the British crown. Another source has indicated the involvement of this gold in the construction of sophisticated weapon systems, including ICBMs during the Cold War. It is impossible to corroborate these claims but, if true, such usage would certainly have been protected by state secrecy, I imagine. Moreover, according to documents Peter Johnston provided, some metal has been leased to sovereign nations on a long-term basis -- even though the borrower must have known that the gold was both legally and technically "stolen." Meanwhile, there are almost certainly numerous other projects for which this plunder has acted as collateral.

That these arrangements (the Secret Treaty) remain secret and unofficial means they are unaccountable and are thus absent of any scrutiny by democratically elected officials and, more worrying, the public at large. It is not even known for certain that those who act on behalf of sovereign nations in this respect have done so with the consent of their own democratic institutions. One cannot help but ask if each and every president since 1945 was made aware of this deepest secret. We do know as a matter of historical fact that Allen Dulles did not shirk from betraying his president and country. His loyalties lay

first and foremost with an international group of powerful businessmen.

That being the case, is it not possible to suggest that this is a secret kept by a fairly small and tight club for their own ends -- and if you're not one of them (to use Margaret Thatcher's terminology "is he one of us?") you are kept out of the charmed circle? And if these are valid questions to ask, then is it possible to identify who "they" might be?

As we have already seen two elite and interlocked groups -- the Trilateral Commission and the Bilderberg group -- have their fingerprints all over this story. Might their aim be to slowly and stealthily engineer the world into whatever image and shape they wish? Colonel Fletcher Prouty, in his excellent book, *JFK*, chills his readers with what he believes the scenario of this elite is: war for profit, genocide to depopulate the world to what are regarded as manageable levels and, ultimately, the introduction of mechanisms aimed at social control. If democratically elected leaders such as JFK get in the way of the elite's plans, they are terminated. In outlining this frightening scene, Prouty also argues that the Cold War was, to some extent anyway, a charade, since members of Russia's own elite had gone along with this programme since at least 1972. Clearly, having access to almost unimaginable sums of money confers a degree of power that is almost beyond dream. One knowledgeable former Swiss banker says that the members of the "club" who control access to these assets already have plans to go "global."

Even today, secrecy remains at the heart of this decades old intrigue and I do not think it an over-statement to regard this story as the biggest secret of them all. What little I truly know of the dispensation of power and the perennial behind-the-scenes scheming by unelected, unaccountable members of a shadowy cabal fills me with no confidence that they will, or plan, to, do the right thing for the majority of us. What is known of their *modus operandi* points to a creed of self-righteous greed and an appalling absence of morality that to most of us would chill the marrow. One can easily imagine they see themselves as the modern gods of Olympus cruelly toying with mankind even as they lazily drop a grape into their mouths or sip a goblet of wine.

If I had not had the assistance of Peter Johnston in providing me with his bulging files four and half years ago, this story would not have been told. It is fitting, therefore, that the last words of this Dossier call for Peter's besmirched name to be cleared. Peter, at all times, *WAS* empowered with legally binding authority to dispose of the assets legally controlled by Dr. Damanik. Peter had no way of knowing that a secret cabal with immense power would be threatened by his efforts to dispose of these assets. His arrest, trial and imprisonment constitute a blatant miscarriage of justice that, at the very least, emanated from the Union Bank of Switzerland, which, in turn, was aided and abetted by the Bank of England. Others stood idly by, thus compounding his wrongful imprisonment.

**ENDS**

**Copyright 2000 David Guyatt/DeepBlackLies.co.uk**

All rights reserved



[Back to Contents](#)